

# ANNUAL REPORT AND ACCOUNTS

2023  
-  
2024



**Annual Report and Accounts**  
**For year ended 31 March 2024**

Laid before the Northern Ireland Assembly under Article 90(5) of the  
Health and Personal Social Services (NI) Order 1972 (as amended by  
the Audit and Accountability Order 2003)  
by the Department of Health

on

05 July 2024

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## CONTACT US

Southern Health and Social Care Trust  
Trust Headquarters,  
Southern College of Nursing,  
Craigavon Area Hospital,  
68 Lurgan Road,  
Portadown  
BT63 5QQ



**Telephone:** 028 3833 4444



**Email:** [Corporate.HQ@southerntrust.hscni.net](mailto:Corporate.HQ@southerntrust.hscni.net)



**Web:** [www.southerntrust.hscni.net](http://www.southerntrust.hscni.net)

## COMMENTS



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## DIFFERENT FORMATS



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# 1

## Performance Report

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## Performance Overview

The purpose of the performance overview is to provide a brief summary of the Trust, its aims and risks to the achievement of its objectives. It also provides an overview of the Trust's performance over the past year.

## Message from the Chair

Welcome to our Annual Report 2023-24.

The past year has been hugely challenging across health and social care and indeed the whole public sector in terms of workforce, rising continued demand for services and financial pressures.



We fully appreciate the difficulties for service users and families who need our services in the current climate and thank them for their understanding and support for our staff who are doing their very best in testing circumstances.

Along with senior colleagues, over the past year, I have enjoyed visiting teams right across the organisation on 'Leadership Walks,' to learn more about their work and the issues they face. We never cease to be impressed by the determination of staff right across adult, children's, hospital and community services, to improve the lives of local people.

This year, as you will read in the Directors' Report (pages 57-63) there have been some changes to Senior Leadership Team and we have welcomed a number of new Non Executive Directors to our Trust Board. My thanks to all Trust Board and Senior Leadership colleagues for their steadfast dedication to improving health and social care across the Southern Trust.

I wish to acknowledge the generosity of service users, carers, families and local community who kindly donated a total of £314,000 in voluntary donations in 2023-2024. With our limited public funding, these extra contributions are very sincerely appreciated by staff right across all services, helping them to buy additional equipment and comforts to enhance quality of care and service user experience.

In February we welcomed the return of the Northern Ireland Assembly, the Northern Ireland Executive and appointment of a Health Minister. We look forward to working with all of our political colleagues under this new administration to tackle the many challenges and improve our system for the benefit of staff, service users and our wider society.

On behalf of Trust Board, I thank all community and voluntary sector colleagues, elected representatives, statutory providers, Health and Social Care organisations who we have worked with over the past year.

A handwritten signature in black ink, appearing to read 'Eileen Mullan', with a large, sweeping flourish above the name.

**Eileen Mullan, MBE, Chair**

## Message from the Chief Executive

Health and Social Care matters to all of us. Southern Trust staff are the bedrock of the community in Northern Ireland. We are skilled, yet privileged in changing for the better, the lives of thousands of people every year.

However, in the context of ongoing workforce and significant financial pressures, unprecedented demand for health and social care and the challenge of rebuilding services following the pandemic, the need for major transformation is required urgently.



We are determined to review and improve our services when we recognise that there are lessons to be learned. For example, over the past year, we have completed a lookback review of urology patients, continued to participate in The Urology Services Inquiry and in October, initiated a major review of cervical screening.

Last summer, we established the Daisy Hill Hospital Expert Panel to work with us on the implementation of the stabilisation plans for acute inpatient medical services. There has since been a positive impact from a new model for general medicine and same day emergency care, which has included an expansion in ambulatory care and acute care at home. This approach has prevented unnecessary hospital admissions, reduced the harm of delayed discharge and improved patient flow. We have fully implemented Steps to Wellness to provide more rapid intervention to people with mental illness and improved community addition services.

We now recognise the benefits of developing this work across the Trust, which will be the next phase of this project, aiming to improve our hospital and community network as a whole.

The Trust is contributing to the regional hospital configuration blueprint project and we have also started the journey of developing our own new long term corporate vision and strategy for the organisation. Through this process, we aim to collaborate with staff, service users, carers and all those with an interest in our services, to develop a strategy that meets the needs of our local population

In January the Department of Health approved our proposal to consolidate all Emergency General Surgery to one site, to meet the clinical standards and ensure the best outcomes for all patients. With emergency surgery concentrated at Craigavon, we now have additional theatre time through Daisy Hill's elective overnight centre to benefit more people waiting on planned procedures. Recent successful recruitment of consultant surgeons is also showing the success of this approach.



Southern Trust staff remain committed to providing high quality, innovative and excellent care. Colleagues across all professions, acute and community services have been recognised, locally, nationally and internationally for their award winning work as you will read in our year in highlights (pages 10 to 24).

We have also started planning for 'encompass' go live in Spring 2025. Creating a digital health and social care record for everyone living in Northern Ireland and improving the safety and quality of care, this will be one of the biggest changes that many of us will see in our health and social care careers.

Our health and wellbeing are influenced by factors such as where we live, our income and our education. This requires co-operating with partners outside of health and social care to prevent the need for hospital care, improve outcomes and reduce inequalities.

We are keen to work with community, voluntary and other statutory organisations to improve networks and planning. We want to work with service users and carers to develop more opportunities for their involvement in developing services that best meet their needs. By bringing together a range of partners, the establishment of the Integrated Care System and Area Integrated Partnership Boards is an interesting time for health and social care. With a great history of co-production in the Southern Trust, we were well placed as the first test Area Integrated Partnership Board to trial this new way of working last year and look forward to the further development of this approach across Northern Ireland.

We are developing and launching our 2030 Corporate Strategy later this year, focussed on how we enable our population to live well.

With genuine collaboration with all partners, we can build on our success and have great potential to explore how we might transform service delivery to achieve better outcomes for local people.



**Dr Maria O'Kane, Chief Executive**

## Trust Purpose and Activities

The Southern Health and Social Care Trust (the Southern HSC Trust) is an integrated health and social care Trust with an annual revenue budget of £1,202m employing 15,971 (12,822 whole time equivalent) staff and managing an estate worth £364m.

The Southern HSC Trust provides health and social care services to the Armagh, Banbridge and Craigavon; Mid-Ulster; and Newry, Mourne and Down council areas.

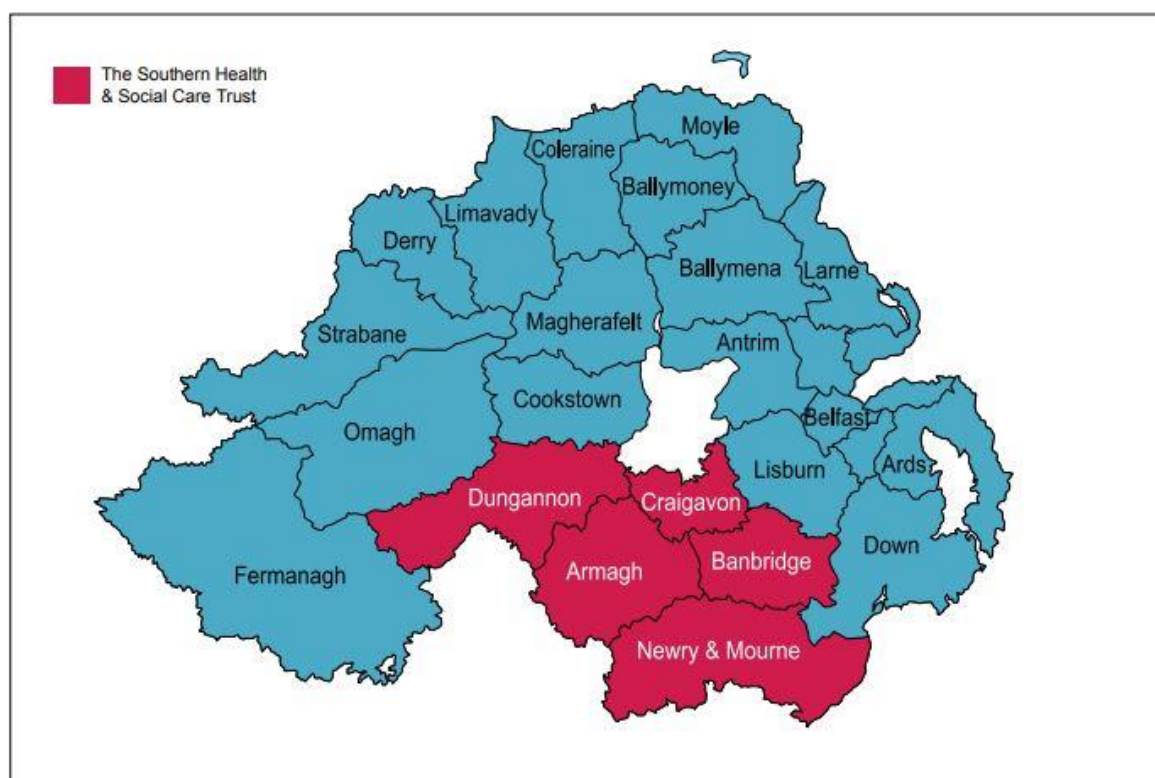


Figure 1: Map of the Southern Health and Social Care Trust

We serve a population of approximately 388,700.

The services we provide include a wide range of hospital, community and primary care services. Main in-patient acute hospital services are located at Craigavon Area Hospital and Daisy Hill Hospital. Working in collaboration with GPs and other agencies, staff deliver locally based services in Southern HSC Trust premises, in people's own homes and in the community. The Southern HSC Trust purchases some services including domiciliary, residential and nursing care from independent and community/independent sector agencies.

## Organisation Structure

The Southern HSC 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, Chair and Chief Executive form the Trust Board which coordinates the activities of the Southern HSC Trust.



**The Southern HSC Trust Vision is to deliver, safe, high quality care that is co-produced and co-designed in partnership with service users and staff who deliver our services.**

This vision is underpinned by the Southern HSC Trust's values which shape what we do and how we do it. The Southern HSC Trust is committed to its values in all our interactions with others including colleagues, patients, carers, and service users.

**Our Southern HSC Trust core values are:**

**Working Together**



We work together for the best outcome for people we care for and support. We work across Health and Social Care and with other external organisations and agencies, recognising that leadership is the responsibility of all.

**Excellence**




We commit to being the best we can be in our work, aiming to improve and develop services to achieve positive changes. We deliver safe, high-quality, compassionate care and support.

**Openness & Honesty**



We are open and honest with each other and act with integrity and candour.

**Compassion**



We are sensitive caring, respectful and understanding towards those we care for and support and our colleagues. We listen carefully to others to better understand and take action to help them and ourselves.

**Our Objectives are:**

- Promoting safe high quality care;
- Supporting people to live long, healthy, active lives;
- Improving our services;
- Making the best use of our resources;
- Being a great place to work – supporting, developing and valuing our staff; and
- Working in partnership.

**What we achieved in 2023-24**

The Performance Analysis on pages 10 to 54 provides a detailed overview of performance in the year, however in summary, the performance against key targets was:

- **Service Delivery Plan Indicators** - of the 69 individual service plan indicators that are assessable, 58% were assessed as achieved/partially achieved as at March 24, meaning the Trust activity for these areas is accepted/ within tolerance from the service baseline position from 2019-20.
- **Financial Targets** - the statutory financial targets to be met are:-
  - Breakeven on income and expenditure
  - Maintain capital expenditure within the agreed Capital Resource Limit

These targets were achieved at 31 March 2024.

The key performance challenges remain broadly unchanged in 2023-24 and continue to reflect the risks related to Access to Services, Workforce, Estates & Infrastructure, Management of infection prevention and control (IPC) and Finance.

The Southern HSC Trust has achieved financial balance in 2023-24, however, this is against a backdrop of a number of significant pressures during the year. This break-even achievement has only been made possible due to additional funding for baseline deficits of some £41.3m, of which the source of £30m of this funding is from the financial package made available on restoration of the Northern Ireland Executive. This was provided in part to offset in-year unavoidable pressures and the high impact service recovery measures which were taken forward in year.

Many prevailing challenges have intensified further, resulting in further deterioration in performance reflected in delayed access to service, with service users waiting longer than is acceptable for a range of services.

Specific challenges relating to capacity beyond demand and availability of workforce, including industrial action, has remained the most significant in 2023-24.

It is anticipated that these challenges will continue into 2024-25 due to the ongoing workforce challenges, infrastructure, environmental conditions and the ongoing financial context.

# 2

## Performance Analysis



## Southern Health and Social Care Trust Year in Highlights 2023-24

### Refurbishment for Drumglass Lodge

Drumglass Lodge in Dungannon had a complete refurbishment for teams working in Children and Young People's Services. Formerly a children's short-term residential care home, the unit was completely reconfigured to provide a base for social work staff including teams working in Family Placement, Gateway, Family Intervention, and our 14+ department.



### New maternity service

We're reshaping the way maternity services are delivered through the introduction of our Continuity of Midwifery Carer team in April 2023. The regional initiative sees a small team of midwives follow pregnant women through every step of their journey, building strong relationships with them and their families and providing seamless support from booking through to labour and postnatal period.

### Gold award for Mary

Admin staff member Mary McElroy, who works in the Integrated Care Team, scooped gold in the Operational Support Worker of the Year award category at Our Health Heroes Awards.



### New CT scanning suite

A new state of the art Twin CT Scanning Suite opened its doors at Craigavon Area Hospital in May. The purpose built unit, provides two high specification CT Scanners – a dedicated inpatient CT Scanner together with a CT Scanner for outpatient appointments which will enhance the work and patient flow.

## Renal Unit celebrates 25 years

The renal unit at Daisy Hill Hospital welcomed past staff and some of its first patients to celebrate 25 years of service in June. Treating patients with kidney disease from Armagh, Dungannon, Craigavon, Banbridge, Newry, Mourne and some border areas of the Republic of Ireland, they have been ranked top in the UK Renal Registry and amongst the best in the UK for patient experience and quality of care.



## RCN Awards

Well done to six nursing colleagues who won their categories at the RCN NI 2023 Nurse of the Year Awards. The awards highlight excellence within nursing and the contribution that our nursing colleagues, across all sectors of care, have made to the health and wellbeing of our patients and public. We are so proud to have such amazing, dedicated and inspiring nurses in our organisation.

## CT scanner for Daisy Hill Hospital

A new replacement modular CT scanner was installed at Daisy Hill. The hospital has one permanent CT scanner within the main diagnostics department. The team had been leasing an additional modular CT scanner, located outside, to help cope with demand and provide backup for the main permanent scanner when needed.



## New MRI scanner

A new MRI scanner arrived on the Daisy Hill Hospital site in July. The temporary scanner is located next to the modular CT on site and is helping to address MRI waiting times and reduce the need to transfer patients to other hospitals for diagnosis.



## New Post Anaesthesia Care Unit for Craigavon Area Hospital

A bespoke unit that cares for patients who need specialised care after surgery opened in Craigavon Area Hospital. The Post Anaesthesia Care Unit, is located within the Recovery ward and the team of highly trained nurses, nursing assistants, anaesthetists, physiotherapists and pharmacists are delivering enhanced post-operative monitoring and treatment of high-risk patients for 24 hours after surgery.



## 'Butterfly Suite' opens

To help parents following the loss of a baby, Craigavon Area Hospital's maternity unit opened a new bereavement suite in August. The 'Butterfly Suite' provides a homely space where families can create precious memories with their baby or grieve their loss, in a safe and comfortable environment.

## Hat-trick of awards for Trauma and Orthopaedic service

Our Trauma and Orthopaedic service recorded a hat-trick of national awards for the high-quality information it provides about joint replacement surgery. The team has gained national accreditation as a NJR Quality Data Provider for their commitment to patient safety, for the third successive year.



## Top in the UK for gynae training

We were ranked the top in the UK for gynaecology training. Along with receiving the top gynaecology training award out of 167 NHS Trusts, the Craigavon Area Hospital team were also placed within the top 10 performing units and highly commended for professional development, obstetric training and overall performance. Whilst the accolade

acknowledges the Craigavon team, the busy team provides services right across the Trust area, including at Daisy Hill.

## New outpatient stroke service

In September, we launched a new ambulatory and virtual service for patients with mimic or minor stroke related symptoms. Around 600 patients are admitted to our hospitals each year with stroke. However, similar to national trends, around one third of stroke related admissions include minor stroke, transient ischaemic attack or stroke mimics like hypoglycaemia or migraine aura, where a hospital stay is not always necessary.



## Top accolade in Advancing Healthcare Awards

One of our dietitians scooped an award for her leadership after introducing a new service regionally which has helped to reduce pressure on outpatient waiting lists. At the Advancing Healthcare Awards, the Outstanding Leadership award was won by a joint dietitian led project, including Trust Advanced Practitioner Gastroenterology Dietitian Liz O'Connor.

## New unit for Daisy Hill

A newly expanded ambulatory unit opened at Daisy Hill Hospital, offering treatment to suitable patients and avoiding an overnight stay where possible. Previously located on the ground floor the 'Direct Assessment Unit' with 12 treatment spaces, has moved to the new 'Ambulatory Unit' which can now accommodate up to 17 patients at a time.



## UK award for Learning Disability Nurse

We are very proud that one of our nurses won a UK award in November for improving the sleep of adults with learning disabilities. Julie Ann Colvin, Nurse Development Lead in Learning Disability, had her submission selected from over 920 entries in the Learning Disability Nursing category of the RCN Nursing Awards 2023.

## Regional stone treatment

Permanent Secretary for Health, Peter May, visited our Extracorporeal Shock Wave Lithotripsy team at Craigavon Hospital after they received the monthly Elective Care recognition award. This regional service provides sessions for both acute and elective stone treatment, benefitting patients from right across NI. A focus on high throughput days and the re-design of the unit's layout have contributed to a more efficient service.



## Lavender Room opens

A quiet, private room to support patients and families when bad news is given after a procedure, opened in South Tyrone Hospital. 'The Lavender Room', located within the Theatres and Day Procedure Unit, has been transformed from a clinical and uninviting room into a comfortable space where tough conversations can be held.

Staff Nurse Cathy McGonigle, who works in the Endoscopy Unit and supports families, spearheaded the renovation.



## Welcome event for international doctors



In December, we hosted an event to welcome international doctors who have joined the organisation. With significant vacancies and continued challenges recruiting and retaining doctors, nationally, regionally and locally, last September, our Medical HR team worked with a specialist agency to launch a recruitment campaign in India. A total of 70 doctors were appointed to work across a range of grades and specialties in Craigavon and Daisy Hill hospitals. Most have already arrived and are settling in to life and work in the Southern HSC Trust.



## Excellence Award for Theresa

Advanced Nurse Practitioner, Theresa Clarke has been recognised at the Macmillan Professionals Excellence Awards. Theresa won the Quality Improvement Excellence Award for her project which has helped to normalise conversations around sexual health following a cancer diagnosis.



## New service for alcohol dependence launched

A new community service was established to support patients attending Daisy Hill Hospital with alcohol dependence. Mental Health Nurses Jackie Leer and Gemma McAuley are working closely with the Emergency Department and Inpatient Wards, aiming to help more patients to receive the right treatment, in the right place, at the right time and

improving their chances of longer term recovery.

## Silver status in environmental awards

We achieved silver status in the 2023 Arena Network Environmental Survey in January 2024. Organised through Business in the Community, the Northern Ireland Environmental Benchmarking Survey is an annual measurement of how organisations are improving their environmental impact.



## Improved care pathway launched

Acute Mental Health Services launched their improved care pathway which will support more service users with acute mental health problems to receive care in their own homes at the same standard as a hospital.

We have redesigned and streamlined existing services to implement the standards outlined in the You In Mind Regional Acute Mental Health Care Pathway ensuring patients get the right care when and where they need it, with a focus on treatment at home, where it is appropriate and safe to do so.



## Permanent Secretary visits Daisy Hill

We were delighted to welcome the Permanent Secretary from the Department of Health, Peter May to Daisy Hill Hospital in February. Mr May visited the Emergency Department, Ambulatory Unit, Urgent Care Centre and met with staff to discuss progress on the stability plans for acute inpatient medicine since his last visit and other ongoing challenges facing health and social care.



## Cardiac Rehab



Our Cardiac Rehabilitation Week promotion showcased how Hazel Wilson, cardiac rehab nurse specialist and Trust cardiac rehab team supported the recovery of Nigel Murphy from Warrenpoint. Nigel said: "Hazel and the team were a godsend for me. I was speaking face to face with Hazel once a week, we would decide on goals together, where I was going to be in a month, bounce off all my queries and it gave me massive peace of mind." Nigel has since made a complete recovery and has fundraised for the Trust.



## Renal dietetics top in UK

Our renal dietetics team in Daisy Hill Hospital was recognised as one of the top three in the UK. The Trustwide renal service treats patients with kidney disease from Armagh, Dungannon, Craigavon, Banbridge, Newry, Mourne and some border areas of the Republic of Ireland. Around 90 people attend the renal unit for dialysis, a lifesaving treatment for those living with kidney failure.

## Launch of 'Good Morning' service

We teamed up with Armagh Banbridge and Craigavon Policing and Community Safety Partnership to launch a 'Good Morning' call service. Provided by the Confederation of Community Groups, the service is aimed at service users over the age of 60 in the Armagh, Banbridge, Craigavon and Newry and Mourne areas, by supporting them and helping to prevent isolation and loneliness.





### **MRI scan project success**

An innovative project has been praised for improving waiting lists and making a real difference to children and their families. The MRI Scan Project group have successfully reduced the number of children needing a general anaesthetic for a MRI scan, decreasing the waiting time for the children involved in the project by an average of 92 weeks.

### **Awards ceremony for children in care**

In March we teamed up with the Fostering Network to host an awards ceremony to celebrate the accomplishments of young people in care. More than a hundred young people in foster and residential care were put forward by their social workers and were honoured for a variety of achievements.



### **Changes to 3 North**



A former COVID-19 ward at Craigavon Area Hospital has been transformed into a permanent general medical ward. The team in 3 North are now providing inpatient care for adult patients with a range of medical conditions. We aim to provide the right care, in the right place, at the right time for patients to meet their clinical needs. This is often in the community, for example supported by Acute Care at Home, or where possible through Same Day Emergency Care services which offer

assessment, diagnosis and treatment in hospital without the need for admission. In addition to our existing medical wards at Craigavon and Daisy Hill hospitals, the transformation of 3 North allows us to care for those patients who do require an inpatient admission.

## Pharmacy success

Our pharmacy team has been recognised locally, nationally and internationally. Michelle Murphy, Biologics Pharmacist presented at the IHI International Forum on Quality and Safety in Healthcare in Copenhagen and Des Gourley, Lead Pharmacist for acute care at home presented at the Swedish Pharmaceutical Society. 15 posters were presented at the All Ireland Pharmacy Conference in November 2023 with haematology placing second. Our Mental health Pharmacy Team was awarded Hospital Pharmacy Team of the Year and Roisin O'Hare, Regional Lead Education Pharmacist was appointed a Fellow of the Royal Pharmaceutical Society and the Pharmaceutical Society of NI.



## Our People

**“Our People 2022 to 2025 – A framework for transforming our workplace....transforming our care”.**



Our People Framework, approved by Trust Board in 2022-23, sets out what our people can expect from our formal leaders and from each other. It was influenced by national, regional and local priorities and by listening to our people through our staff surveys, big coffee conversations and COVID-19 lessons learned listening events. It is informed by what our people have told us - what is important to them, what works well and how we can get better together. Our ambition, put simply, is to ‘create a great place to work’, a workplace where we are engaged, feel valued and work well together.



Developed by our people, our HSC values support how we deliver our purpose and our vision. Our HSC values of **compassion, openness and honesty, working together** and **excellence** and their associated behaviours guide us all and define the way we work. Our values are at the heart of our people priorities and guide our thinking and actions to help create a positive workplace culture.

Now more than ever we recognise how important it is to focus on Our People and so our People Priorities of **Wellbeing, Belonging** and **Growing** will help enable us to create a great place to work, a workplace where we are engaged, feel valued and work well together. This in turn will help us transform our workplace to transform our care, to continue to provide the safe, high quality, compassionate care and support to our population.



In the second year of Our People Framework we delivered the following: -

Establishment of a People & Culture Steering Group and three associated Work Streams: Health & Wellbeing; Recognition & Inclusion; and Workforce Development.

The purpose of the People & Culture Steering Group is to obtain assurance that:

- the Trust has plans with ambitious but realistic goals and targets relating to workforce, education, organisational development and culture, so as to enable the Trust to meet its Strategic Objectives;
- the plans to achieve those goals and targets are being implemented; and
- our people are reporting that our plans are making a difference to their working lives.

The following outlines some of the work of the work streams: -

## Wellbeing

One of our priorities is to look after the wellbeing of our people. Our Workplace Health & Wellbeing Framework for 2022–25 focuses on 3 priority pillars of integrated wellbeing:

- Healthy Workplaces – supporting you;
- Healthy Relationships – staying connected; and
- Healthy Body and Mind – being you.



In 2023-24, we implemented our Year 2 Action Plan. Only 18% of the actions have been deferred to 2023-24 or unfulfilled due to budget constraints or vacancies.

## Belonging

The Trust continues to work on developing a culture whereby our people feel connected, cared for, respected and valued for the work that they do, and recognised for the contribution they make. A Recognition & Inclusion Action Plan 2023-24 has been developed and implemented as follows:-



## Recognition and Appreciation

The launch of our re-branded 'Our People Awards' in October 2023 which resulted in the receipt of 292 nominations from across all services areas. The awards ceremony will take place on 19 April 2024.

The development and roll out of our 'Recognising our People Toolkit' in August 2023 which is a resource for all managers and employees detailing how recognition and appreciation can be embedded within teams.



A number of employee appreciation days took place during 2023-24 to show gratitude for various professions. This was particularly well received in those areas where this had not occurred before e.g., for Administrative Teams, Facilities Support Teams and Estates Services.

Ongoing promotion of the #ThankYouThursday campaign which is a reminder that there is always an opportunity to say, 'thank you' and use of GREATix which is our employee recognition scheme. It is aimed to be 'for staff, by staff' to encourage peer-to-peer recognition. Both of these are mechanisms by which to show appreciation to colleagues. In addition, communications have issued as part of the Friday Focus health and wellbeing email campaign on the importance and benefits of showing gratitude in the workplace.



The implementation of a 3-month pilot corporate monthly recognition programme in Mental Health Directorate in the latter end of 2023. Positive feedback was received.



External awards and achievements are regularly celebrated in our Employee Newsletter 'Southern-i'.

## **SMT Visibility Plan**

We implemented our [SMT Visibility Plan](#) to support key messaging associated within our Corporate Plans and to communicate our vision, ambition, values and culture of the Trust, to explain where we are headed and how our people can help us get there.

Our weekly 'Chat with the Chief' continued throughout 2023-24 and had consistently good numbers of attendees and feedback has also been positive. Video recordings of the short sessions are also being viewed by those who aren't able to attend the live sessions.

Leadership Walks also continued throughout 2023-24, with Directors visiting teams across the organisation. The feedback template piloted in 2022-23 has been amended as a result of feedback, and is being rolled out. Follow up visits are planned to ensure any actions for the organisation have been completed.

## Growing

We are supporting and developing our people so they can be the best they can be and fulfil their potential. Examples of a few of the actions that were progressed during this year include: -



### Your Appraisal Conversation

As at 28 March 2024, 36% of our Agenda for Change workforce have a completed appraisal. In order to improve the quality of the conversation, the sense of connection and how the individual contributes to the organisation, as well as improving levels of completion, our Appraisal Policy and supporting 'Your Appraisal' form and guidance were reviewed and updated in 2023-24. Each of the four parts of the conversation are linked to one of our four HSC Values, reinforcing their significance in everything we do.

Appraisal Conversation Awareness Sessions for Managers have been delivered to ensure that managers are provided with appropriate support to undertake and record appraisals. **39** awareness sessions have been delivered between February 2023 and March 2024 with **924** managers attending. Further sessions are also planned throughout 2024-25.

### Growing Our Workforce – Attracting and Recruiting

During 2023-24, as a Trust, we continued to attract and grow our workforce for the future. We are doing this through engagement with local schools / colleges, employers and Councils to promote our opportunities and inspire people to work in health and social care.



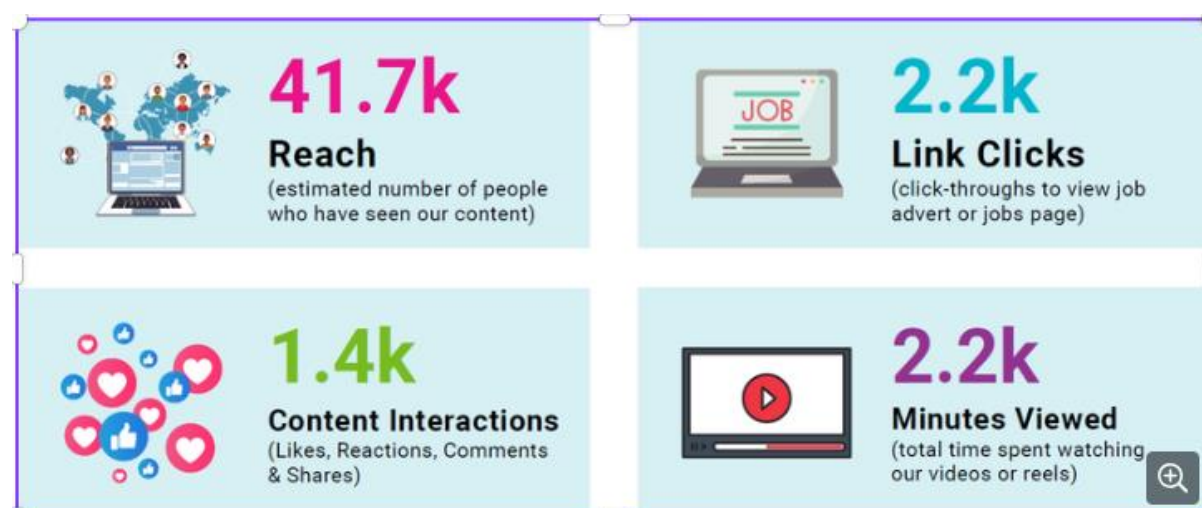
*Lurgan & Armagh Job Fairs*



Throughout 2023-24, a core focus has been on continuing to attract high calibre applicants in sufficient numbers across all disciplines to stabilise our teams and rotas and to reduce vacancies. We have successfully significantly reduced vacancies of Band 5 nursing staff across all areas within the Trust, stabilising our rotas. However staffing challenges remain in other disciplines, for example, social work and social care.

During 2023-24, the Trust's Resourcing Team attended 22 events with schools, colleges and employers. These events offer opportunities for the Trust to engage with young school age people, school leavers and individuals seeking employment to ensure the Trust and HSC roles are promoted.

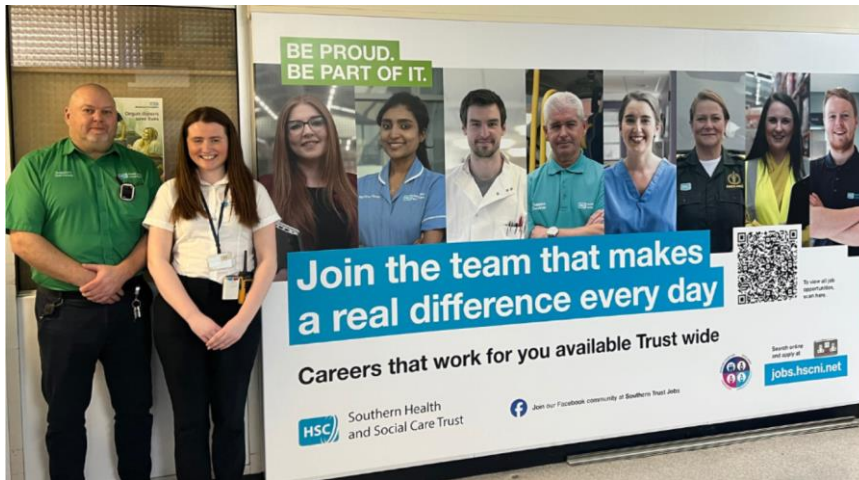
A number of advertising proposals were planned in 2022-23 and the Resourcing Team has now delivered these successfully during 2023-24. The Resourcing team, with support from our internal communications team, set up the Southern HSC Trust Facebook jobs page on 1 February 2024. This Facebook platform has enabled the Resourcing team to engage with managers and staff across the service to use this page as a tool to make the public aware that we are hiring. The Facebook page will also help us reach candidates more broadly to promote roles across all job categories. Our data from this initiative demonstrates great success in raising the profile of the Southern HSC Trust as an Employer of Choice. We use the platform to advertise vacant job roles daily and promote the candidates on the benefits of working for the Trust.



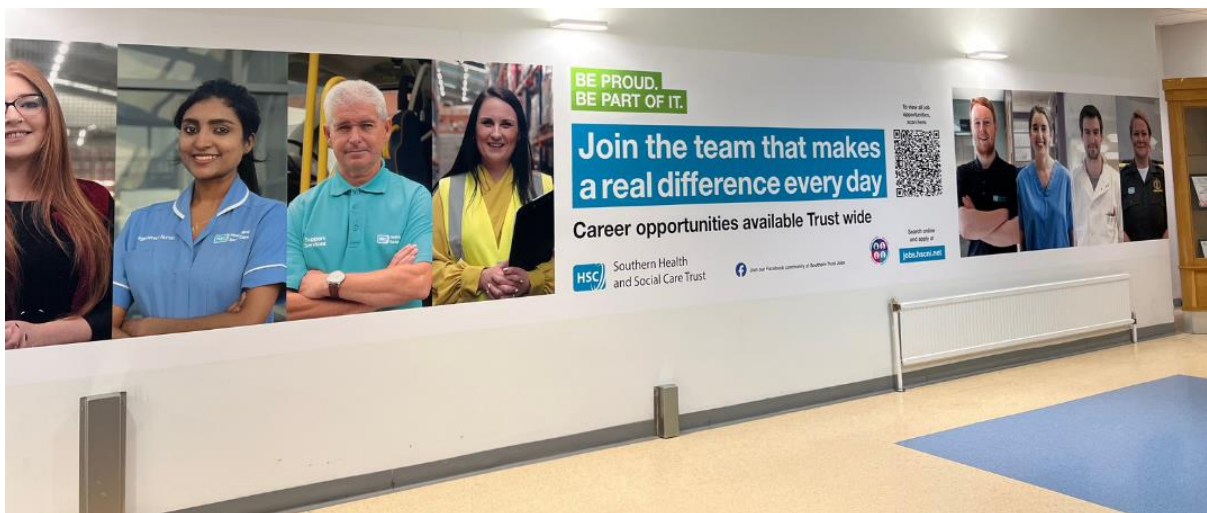
#### *Facebook stats February 2024*

A second advertising project was delivered using our hospital sites to raise awareness of our recruitment opportunities and to ensure a broad audience awareness that we are hiring. The 2 acute hospital sites were selected for this project and the Resourcing team created large advertising boards that were positioned to ensure they would be viewed by the many individuals using our hospital sites. This is an opportunity to engage the public and advise our vacancies on an on-going basis. Using QR codes

the public can access our advertised vacancies with ease and as a Trust we can monitor the public engagement with these advertisements. It is intended that this project will be rolled out further across other Trust sites in 2024-25.



*Branding located at café wall – Daisy Hill Hospital*



*Branding located in main corridor Craigavon Area Hospital*

Work has also been ongoing Acute and Non Acute wards to continue workforce stabilisation on all wards within the Trust. A specific focus has been on safe staffing to ensure appropriate levels of nursing staff are available and vacancy gaps recruited while also eliminating all off contract agency usage in Nursing & Midwifery.

The new Agency Framework awarded in April 2023 has helped to eliminate all off contract agency usage across Nursing & Midwifery. Alongside the introduction of this Framework, a Nurse Utilisation Group was established to analyse and review Agency usage and to improve productivity. Recruitment of International nurses has been a key part of this work. As of 14 August 2023, all off contract agency staff came to an end.

The Trust is also engaged regionally in the programme of work of the Recruitment Review Programme Board which commenced in 2022-23 and continued in 2023-24. Work is on-going to review and deliver a recruitment model that is fit for purpose across HSC. This work is aligned to the work regionally to deliver a new recruitment system under the Equip Programme.

### **International Medical Recruitment**

In response to ongoing challenges recruiting substantive medical doctors within the Trust, rising vacancy levels and instability of services, specifically within Daisy Hill Hospital, the Trust engaged a partner organisation Remedium to undertake international recruitment of over 70 doctors in September 2023. Suitable candidates were sourced and interviewed in Mumbai, India and plans were made to commence the recruited doctors on a phased basis.

Consultants, SAS doctors and Specialty Trainee doctors across a range of specialities have already commenced on Trust rotas. Vacancies in medicine, emergency medicine, surgery, obstetrics and gynaecology, urology radiology, trauma and orthopaedics have been filled via this programme of work.

Our newly appointed international doctors have been provided with support, induction and training to ensure they are confident and competent to work independently within the Trust.

## **PERFORMANCE ANALYSIS 2023-24**

### **Priorities 2023-24**

Delivering Health and Social Care has never been more challenging and in 2023-24 we continued to manage increasing demand for services despite gaps in our capacity and in our workforce.

Priorities identified by the Department of Health in 2023-24 relate to building on the progress that was made in 2022-23 and sets out performance trajectories required to move service provision towards core levels of activity on an individual service level basis equivalent to the pre-pandemic period in the main, typically 2019-20, or commissioned levels of activity.

The Trust's corporate plan for 2023-24 acknowledges these challenges, reflected in its ongoing focus and priorities to put quality and safety above all else, health equity, service improvement, best use of resources, collaborative work with key stakeholders and the wellbeing and growth of all the people working in our organisation.

### **How we assess our performance**

Performance is reported monthly via our Service Delivery Plans and Performance issues are presented quarterly at the Southern HSC Trust Finance, Performance & Workforce Committee (a sub-committee of the Trust Board). Performance Reports for the Trust Board are published on the Southern HSC Trust website at [www.southerntrust.hscni.net](http://www.southerntrust.hscni.net).

### **Factors impacting Performance 2023-24**

The key performance challenges remain broadly unchanged in 2023-24 and continue to reflect the risks related to Access to Services, Workforce, Estates & Infrastructure, Management of Infection Prevention and Control (IPC) and Finance.

Many prevailing challenges have intensified further, resulting in deterioration in performance reflected in delayed access to service, with service users waiting longer than is acceptable for a range of services.

Specific challenges relating to capacity beyond demand and availability of workforce, including industrial action, has remained the most significant in 2023-24.

It is anticipated that these challenges will continue into 2024-25 due to the ongoing workforce challenges, infrastructure, environmental conditions and the ongoing financial context.

## How we performed in 2023-24

### Service Delivery Plan Indicators

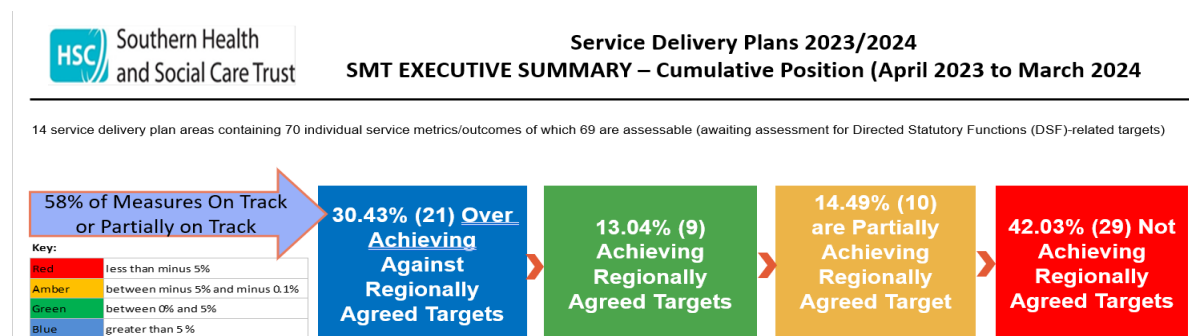
From 1 April 2023, there have been 70 individual service delivery plan indicators which are summarised by the Strategic Planning and Performance Group (SPPG) of the DoH into 14 service delivery plan areas. These indicators stipulate an expected level of activity for each area on a monthly basis, identified using the service baseline position from 2019-20 period and/or commissioned levels of activity as a key factor.

A variance of 5% has been applied when comparing actual performance with expected performance, with the variance assessed in line with the following RAG assessment as detailed below.

Key:

Red	less than minus 5%
Amber	between minus 5% and minus 0.1%
Green	between 0% and 5%
Blue	greater than 5 %

SPPG apply an overall RAG rating for individual Trusts based on the percentage of metrics recorded as red. The table below reflect the year end position as at March 2024 for the Southern HSC Trust. There has been an increase from 47.5% in June 2023 to 58% at March 2024 of service levels on track or partially on track. Service delivery areas and activity levels have shown improvement generally over the last 12 months.



### Summary of Key Performance 2023-24

A themed summary of 2023-24 performance is provided below which reflects the key risks highlighted routinely to our Performance Committee during the year.

- **Access to Elective and Cancer service** with increased routine wait times as those with 'Red Flag' (suspected cancer) continue to be prioritised;
- **Emergency Department** Experiencing overcrowding and waits for inpatient admission;



- **Access to Social Work workforce** with capacity directed to most critical services, impact on wider social care provision;
- **Fragility of Social Care sector** impacting hospital discharge and community care; and
- **Mental Health and Disability** general over occupancy of adult inpatient wards, which is reflected regionally.

## Elective Services

In 2023-24, the Southern HSC Trust has been challenged to achieve the performance targets previously set for waiting times for elective services, this has been largely due to increased demand and workforce retention and resourcing pressures.

For the majority of elective target areas, including first outpatient assessment, diagnostic tests, inpatient and day case surgery and allied health professional referrals, the number of patients waiting increased and the length of waiting time for patients extended, resulting in unacceptably long wait times for many. The graphs below reflect the trend in the increasing volume of waits in these areas.

As of March 2024, there are currently 80,372 patients waiting for a Consultant Led outpatient appointment in the Southern HSC Trust resulting in unacceptably long wait times for many. Outpatient activity has increased by 7% (+16,628) from 2022-23 to 2023-24 and Outpatient Reform and Modernisation work has commenced in a number of areas with a focus on patient initiated follow up, two way text validation and efficient and effective utilisation of clinics.

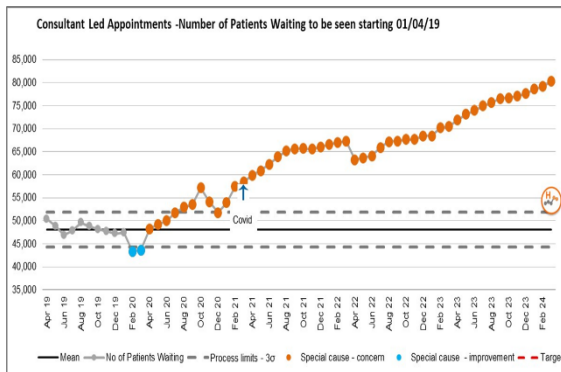
Whilst Elective activity did not meet expected SPPG outturn, the Theatre Schedule minutes have increased from 49,530 in April 2023 to 70,590 in March 2024 a 43% increase. It should be noted that whilst IPDC waits have reduced this is because patients have not converted from outpatient waiting lists.

The total volume of patients waiting for an AHP appointment has decreased by 31% from 2,480 patients waiting in April 2023 to 1,721 in March 2024. Despite the recovery and improvements made by services in year, it is recognised regionally that there needs to be a target approach to AHP services to tackle the volume of patients waiting.

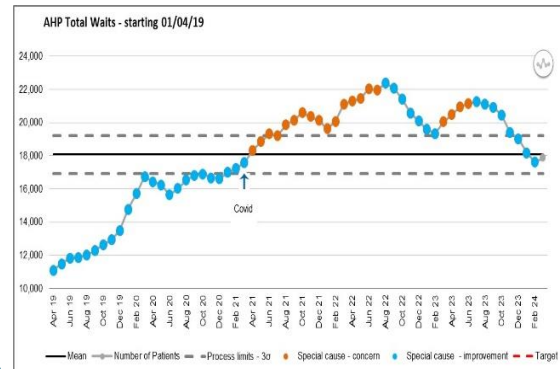
Despite the increase in activity in diagnostic tests the demand for diagnostic services continues to grow which is reflected in the volume of patients waiting.



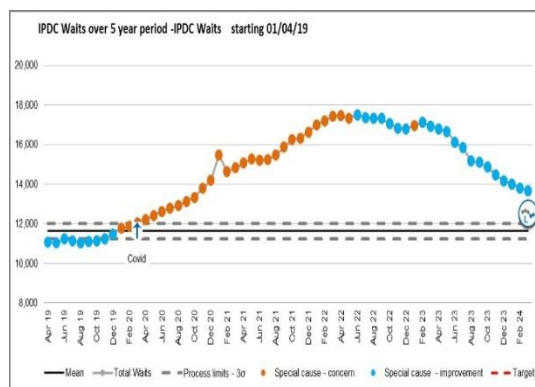
### Consultant-Led Outpatient Waiting Lists: Trend in volume of waits



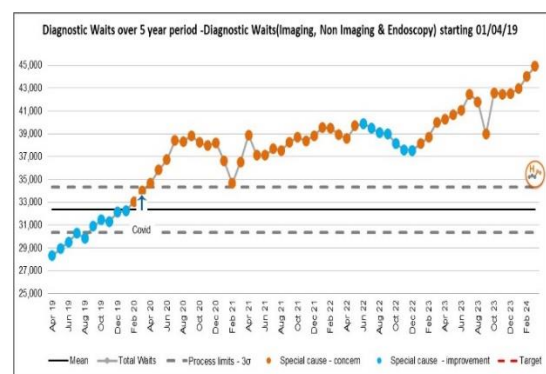
### Allied Health Professional (AHP) Waiting Lists: Trend in Volume of waits



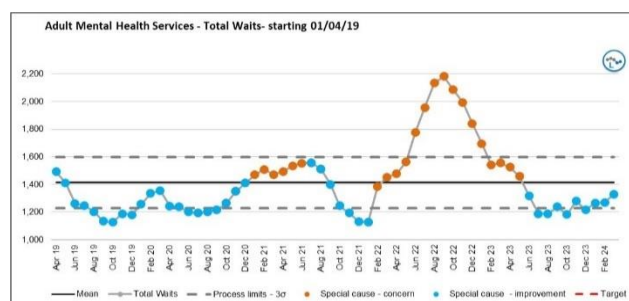
### Inpatient and Daycase Waiting Lists: Trend in volume of waits



### Diagnostic Tests – Waiting Lists: Trend in volume of waits



### Adult Mental Health Outpatients Waiting Lists



The Southern HSC Trust have consistently achieved SDP expected outturn collectively for Mental Health. Whilst there has been improvement in Adult Mental Health and Dementia Waits, Psychological Therapies continue to remain challenged as is the position regionally.

## Cancer Services

The impact on routine waits has been previously noted; however more significant is the impact on the wait times for urgent and red flag (suspected cancer) services, including outpatient, diagnostics and treatment.

The table below indicates a reduced level of performance against the 3 cancer pathway targets over the last 5 years. This position is reflected across Health & Social Care in NI.

	14 Day Target = 100%		31 Day Target = 98%		62 Day Target = 95%	
	SHSCT Performance	Regional Performance	SHSCT Performance	Regional Performance	SHSCT Performance	Regional Performance
FY2019/20	99.9%	85.0%	98.2%	92.7%	65.5%	51.7%
FY2020/21	67.7%	70.7%	92.5%	93.3%	60.3%	53.5%
FY2021/22	36.9%	53.2%	86.4%	89.4%	49.7%	45.8%
FY2022/23	56.3%	69.0%	85.7%	88.2%	41.6%	38.1%
FY2023/24	22.6%	44.7%	91.2%	88.2%	41.6%	34.0%

The number of people who are actively waiting on our cancer pathways has increased from 5,200 patients in March 2023 to 5,266 in March 2024.

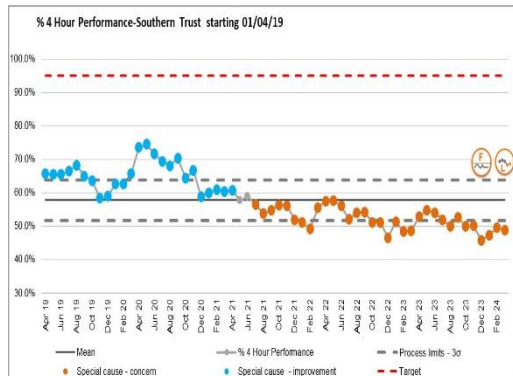
The number of patients who have attended and been diagnosed with Cancer has increased from 2,681 in 2022-23 to 2,764 confirmed cases during 2023-24.

## Unscheduled Care

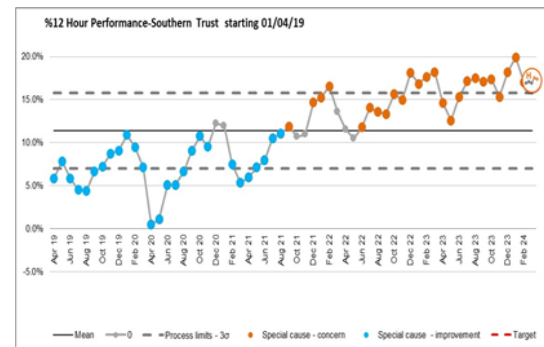
In 2023-24 the Southern HSC Trust has again been unable to achieve the performance targets previously set for the management of waits in Emergency Departments and flow to discharge through our hospital system due to the following reasons:

- Overcrowding in the Emergency Department has impacted on the ability to treat, admit and/or discharge patients within 4 hours; and
- Challenges with patient flow, insufficient bed capacity and the ability to discharge patients from hospital beds has impacted on the volumes of patients admitted or discharged within 12 hours.

### Patients Admitted or Discharged within 4 Hours –Emergency Department



### Patients Admitted or Discharged within 12Hours –Emergency Department



Patient flow through our hospital systems continues to be challenged and is more complex associated with a higher acuity of patients and increased length of stay. This associated with challenges faced in timely discharge, contributes to reduced bed capacity and system wide pressures. These combined pressures continue to expose the long-standing challenges in managing access to unscheduled care.

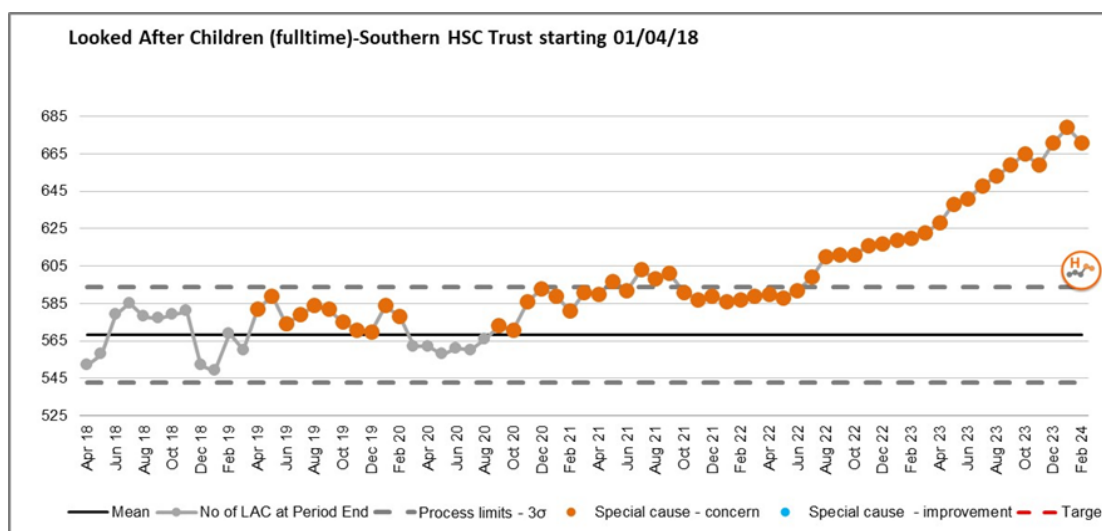
The Southern HSC Trust has continued to develop the unscheduled care service in line with the 5 key recommendations from the Urgent and Emergency Care Review 2023.

## Children's Services

Workforce issues impacting on social work staff (including maternity and sickness absence) within the current workforce, coupled with an inability to recruit the number of social work staff required to fill permanent vacancies, is impacting on child and family services.

The complex nature of child protection work, the increase in the Looked After Children population, and the general demand for services in conjunction with workforce challenges, has resulted in an increased number of family support referrals. Statutory functions in respect of Child Protection and Looked After Children case episodes have been prioritised and continue to receive a social work service.

## Looked After Children



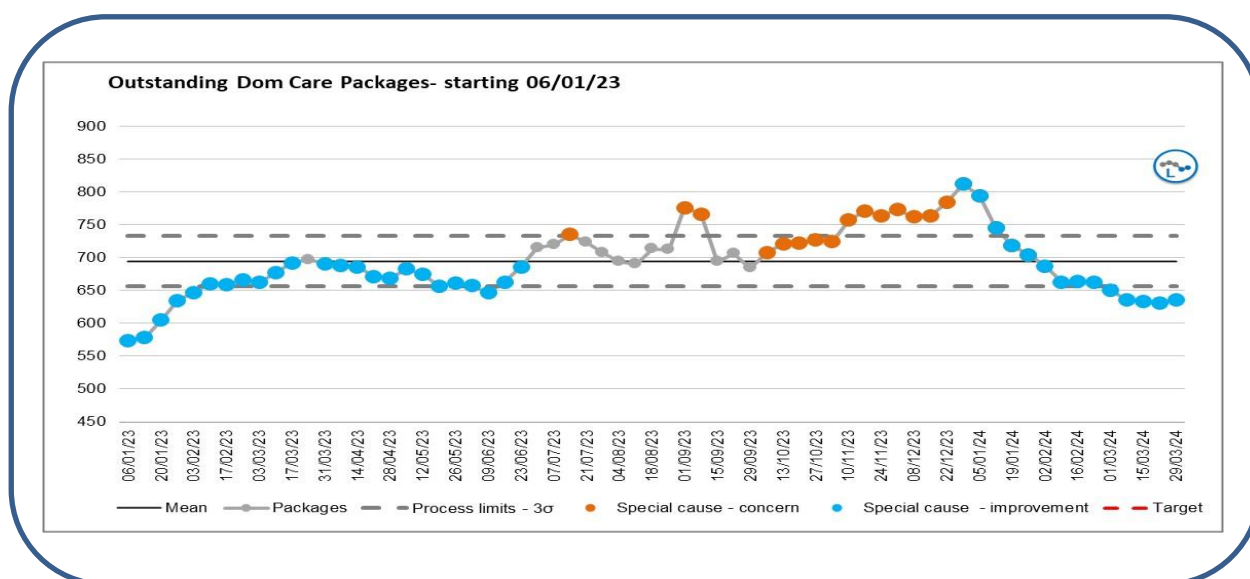
## Mental Health Services

Inability to recruit Psychiatrists of Old Age impacted on the ability to sustain inpatient Memory Services on a stand-alone site. An interim contingency arrangement of the co-location of Gillis Ward to Willows Ward, Bluestone Unit, CAH, has been in place since 4 May 2022 and will remain to ensure safe and effective care. This interim contingency arrangement has reduced the net complement of inpatient memory/dementia beds, inpatient psychiatry of old age beds and inpatient general adult psychiatry beds. The impact of this bed reduction has seen inpatient Mental Health Services continue to operate above the recommended level of safe bed occupancy of 85% by the Royal College of Psychiatry. The outcome of the public consultation that endorsed the proposal to create a specialist inpatient dementia unit within Bluestone has been shared with the Department of Health for consideration and the Trust await the outcome. Bespoke estate works commenced in January 2024 within Willows Ward to create therapeutic activity and day spaces for both Willows and Gillis patients. The impact of increased demand locally and regionally, and impact by bed reduction, has seen inpatient Mental Health Services continue to operate under sustained pressure.

## Social Care Sector

Demand for domiciliary care packages continues for those resident in the community and those discharging from hospital. The delay in accessing a domiciliary care package can impact on quality of life, hospital discharge and the inability to step up care in the community to prevent hospital admission. The chart below reflects the

ongoing demand for domiciliary care that cannot be met, resulting in a high level of unallocated cases.



## Unallocated Social Work Cases Integrated Care Teams

Workforce issues impacting on social work staff (including maternity and sickness absence) within the current workforce coupled with an inability to recruit the number of social work staff required to fill permanent vacancies, is impacting on adult community services in the same way as it is impacting on children and young people's services.

The complexity of conditions that are now cared for in the community has increased and along with that the social care inputs that are needed to support these service users in their own homes. The lack of domiciliary care packages highlighted above often means temporary care home placement before a move home when a package becomes available. This increases the amount of Social Work intervention that is required for the service user.

The requirement to be compliant with the Mental Capacity Act, Adult Safeguarding work and dealing with complex family dynamics along with the general demand for services in conjunction with workforce challenges, has resulted in an increased number of unallocated adult social work referrals. The Social Work interventions are prioritised in a risk stratified approach with oversight and clear guidance on how these are allocated.

## **FINANCIAL PERFORMANCE 2023-24**

### **Financial Position**

As predicted at the outset of the financial year, 2023-24 has been yet another extremely challenging year for the entire Health & Social Care System.

Cash releasing efficiency targets were set in 2023-24 with the Southern HSC Trust being tasked with achieving a significant target of £26.343m.

The Southern HSC Trust has achieved financial balance in 2023-24 however this is against a backdrop of a number of significant pressures during the year. This break-even achievement has only been made possible through additional funding for baseline deficits of some £41.3m, of which the source of £30m of this funding is from the financial package made available on restoration of the Northern Ireland Executive. This was provided in part to offset in-year unavoidable pressures and the high impact service recovery measures which had not taken forward in year. The Trust achieved £11.4M savings through reduction in spend, in particular relating to the implementation of a Nursing framework contract to reduce Off-Contract Agency. The Southern HSC Trust has worked hard to balance high quality, safe patient care together with increasing demands for our services.

### **Financial Environment**

There is no doubt that the HSC is facing one of the toughest financial environments, emerging from a global pandemic with rising demographic demand and increased frailty of patients in our care. In 2023-24 the Southern HSC Trust forecasted a deficit position of £65.2m and was allocated a challenging savings target of £26.34m with pressures attributable to the Urology Services Public Inquiry, the stabilisation of Daisy Hill Hospital internal medicine and growth in demand. Southern HSC Trust's approach to financial planning for 2023-24 was that of in-year financial recovery including savings plan. The financial planning commenced early in the year with the aim to ensure financial break-even with less income in real terms and at the same time securing delivery of the safe and high quality services. Planned expenditure is considered on a Programme of Care basis and includes a detailed review of both existing baselines and incremental changes applicable to the financial year in question.

The Southern HSC Trust's Financial Strategy is built upon using all of our resources wisely to meet the health and social care needs of the residents of the Southern Area. We continually aim to identify all available opportunities in seeking to manage a challenging financial position, whilst also securing delivery of reform and transformation and achieve efficiencies. Resources are prioritised to deliver the Southern HSC Trust's strategic objectives, with the aim of improving the health and social well-being of, and reducing the health inequalities between, those for whom we provide, or may provide, health and social care.



## Financial Targets

The Southern HSC Trust is required to operate within revenue and capital budgets delegated to it by the Department of Health (DoH) via the Strategic Planning and Performance Group (SPPG), Public Health Agency (PHA) and NI Medical & Dental Training Agency (NIMDTA).

The statutory financial targets to be met are:-

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

These targets have been achieved through the implementation of the Southern HSC Trust's financial strategy for the year and the drive for efficient use of resources coupled with the part achievement of in-year savings plans along with the provision of deficit support funding provided by the Department of Health.

## Financial Governance

At the beginning of each financial year, the Southern HSC Trust prepares a detailed financial strategy which is approved by Trust Board. This strategy forms the basis of how our budgets are to be allocated across all Directorates. Financial performance is monitored and reviewed monthly with all Directors and detailed financial reports and year-end forecasts are produced monthly for both Trust Board and the Southern HSC Trust's Senior Leadership Team.

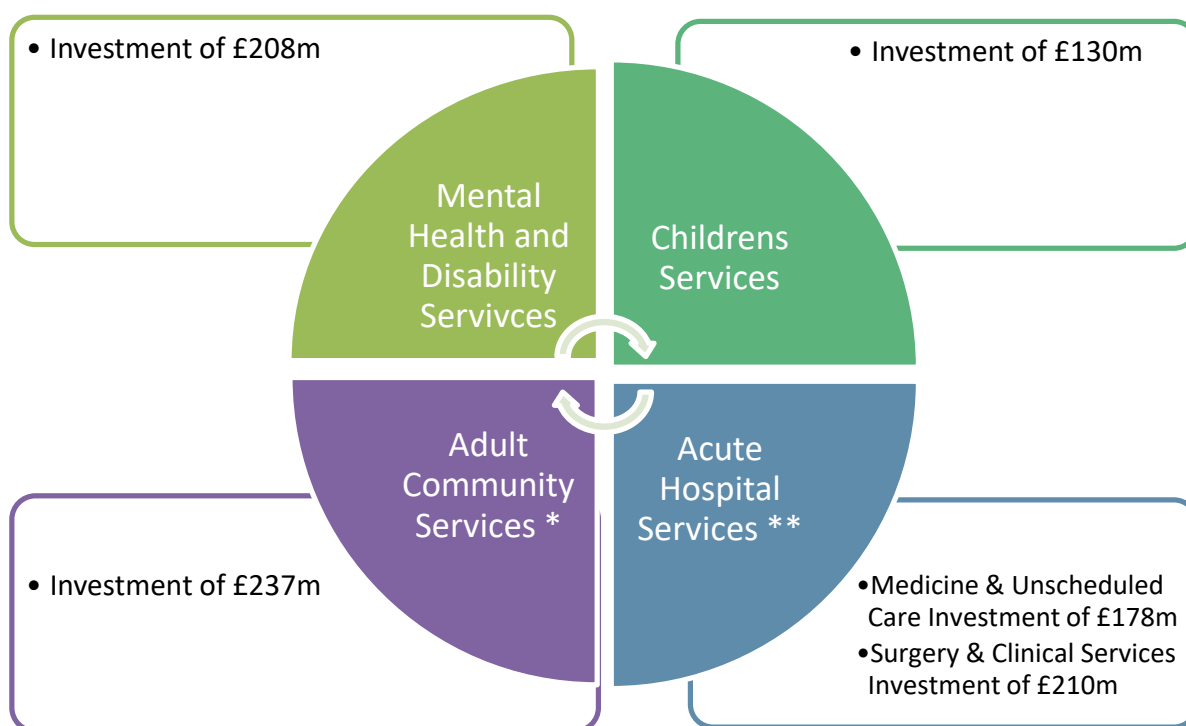
Following the Southern HSC Trust increase in forecast deficit and non-achievement of savings plan in 2023-24, the Department of Health commissioned an external review of the Financial Management and Governance arrangements within the Trust. This review made a number of observations and recommendations that will further strengthen controls in relation to Financial Management and Governance and Financial Culture within the Trust. These recommendations will be implemented in 2024-25.

## Income and Expenditure in 2023-24

The Southern HSC Trust receives the vast majority of its income, 95%, from the DoH, through SPPG and Public Health Agency (PHA). In addition the Southern HSC Trust is provided with a funding allocation for medical education. The largest single remaining funding stream is the income received from clients in residential and nursing homes.

The Southern HSC Trust's total revenue expenditure in year was £1,074m. The chart below demonstrates how the majority of this was invested across a range of services during 2023-24.

## Southern HSC Trust Investment Breakdown by Directorate



*\*Older People Services now known as Adult Community Services*

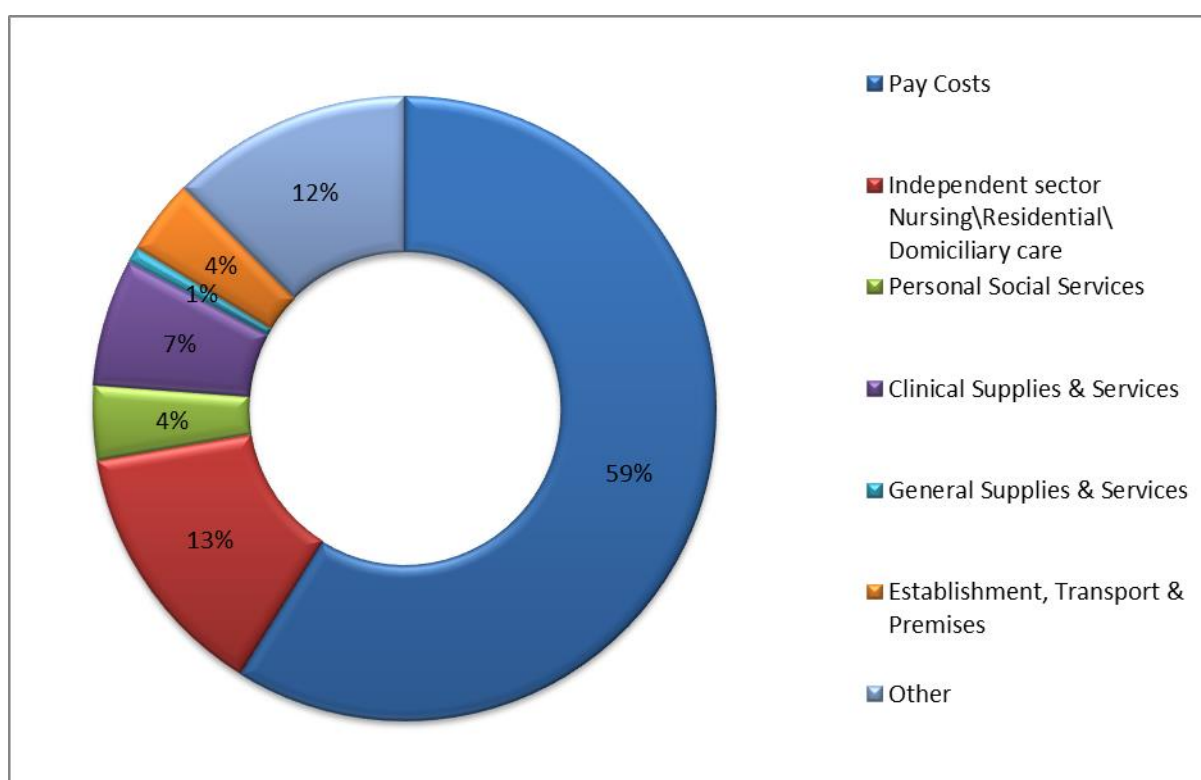
*\*\* Acute Hospital Services covers both Medicine and Unscheduled Care and Surgery and Clinical Services.*

In addition there are a range of supporting directorates which cost £111m in 2023-24.

Our staff costs are consistently the largest component of expenditure accounting for 59% of operating expenses. In 2023-24 we spent a total of £1,202m, £708m on pay costs with the balance of £494m on non-pay.

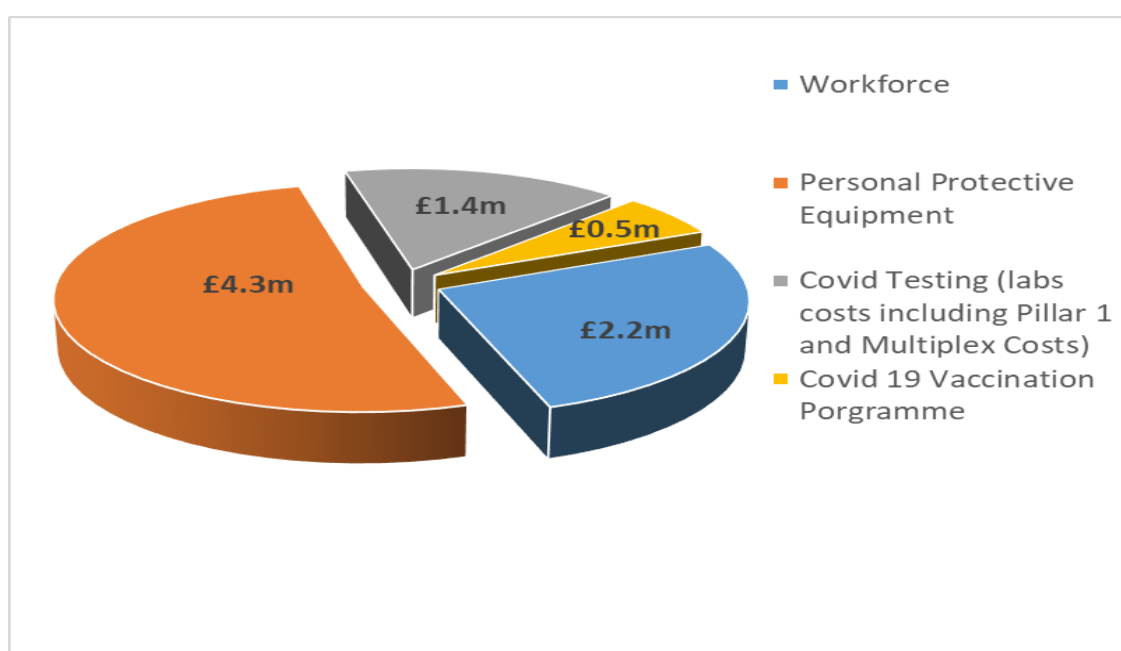
Within the pay costs total the Trust spent £125m on doctors and dentists, £214m on nurses and midwives and £109m on social work/social care and domiciliary staff. Significant spend on non-pay cost includes £90m for clinical and general supplies, such as drugs and medical equipment, and £162m for residential, nursing and domiciliary care delivered by other organisations on the Trust's behalf.

The chart below summarises the split of our total expenditure during 2023-24:



Included within our total expenditure was the cost of our response to COVID-19. In total we spent £8.4m (as compared to £35m in 2022-23), with the most significant elements of this expenditure highlighted below, of which £4.3m was spent on the provision of PPE. This expenditure received funding support of £7.3m from DoH.

#### Split of COVID-19 expenditure in 2023-24



Expenditure remained within the Revenue Resource Limit (RRL) of £1,020m by £39k.

## Capital Investment

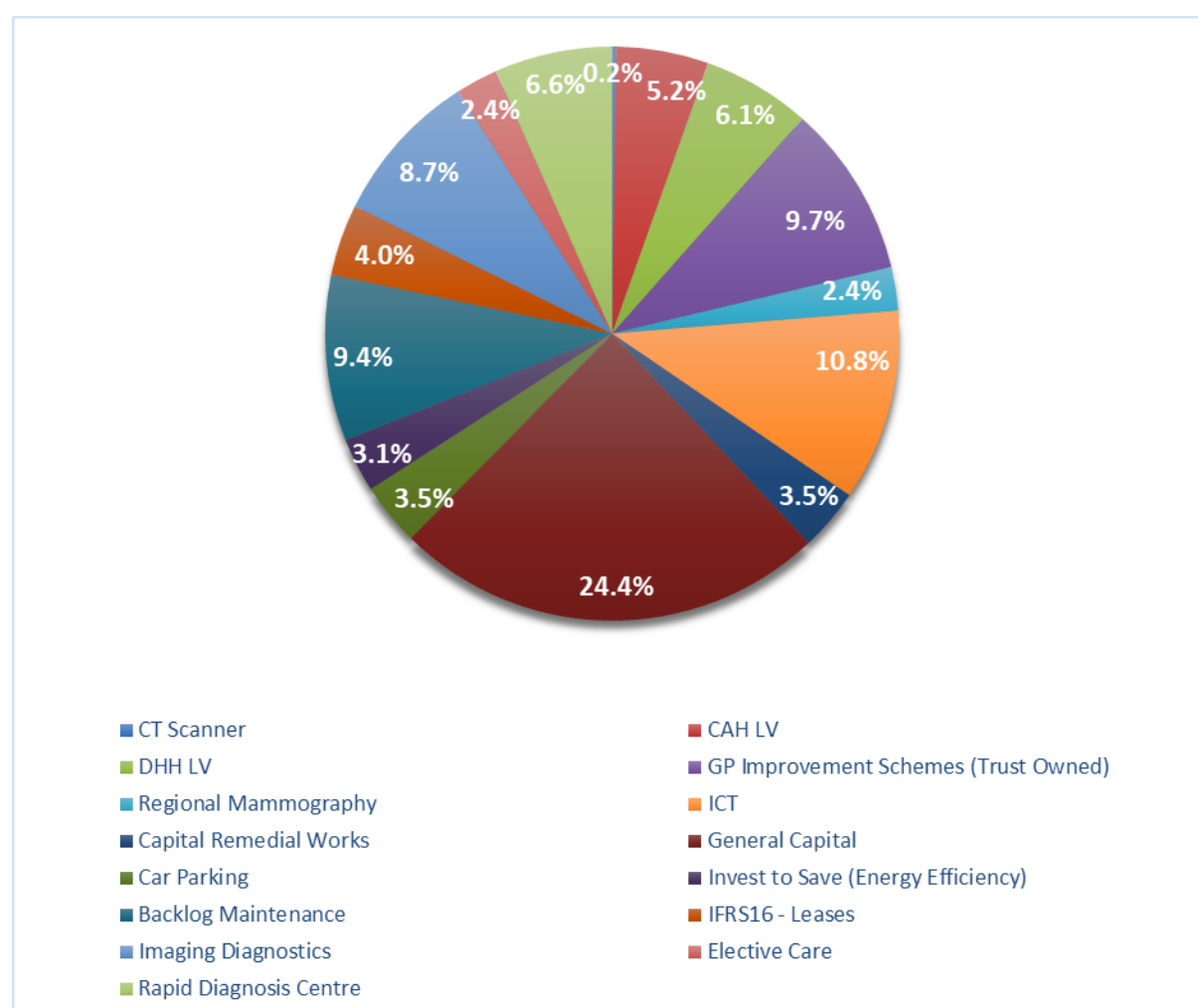
The Southern HSC Trust receives an annual capital allocation to help support the expenditure required to develop and maintain the infrastructure required to provide the facilities necessary for the provision of services to all our patients and clients.

The Southern HSC Trust had a capital allocation of £28.7m, for 2023-24, including £3.1m for Information Technology, £0.9m for Invest to Save projects, £1.9m for a Rapid Diagnosis Centre at South Tyrone Hospital and £7m for general capital requirements.

The Southern HSC Trust also secured additional capital investment to support a range of backlog maintenance schemes and remedial works.

The Chart below summarises how we invested our capital resource during 2023-24.

### Southern HSC Trust Capital Investment 2023-24





The table below analyses the Capital spend over expenditure type:



The Southern HSC Trust was successful in investing in full its Capital Resource Limit except for a small underspend of £3k (0.01%).

### Going Concern

The financial outlook for 2024-25 is very challenging. Southern HSC Trust is beginning the 2024-25 financial year with a substantial underlying funding gap.

Extensive budget planning work to support the 2024-25 position is ongoing between the Southern HSC Trust, SPPG and DoH. As a Trust we must ensure that our limited resources are used to maintain safe services and to achieve the best outcome for our population. It also means that we must continue to embrace and pursue the transformation and efficiency agenda to safeguard vital services for the future.

There is no doubt that 2024-25 will be yet another exceptionally difficult year for the Southern HSC Trust and the entire Health and Social Care System as a whole, particularly as the budget allocation provided has resulted in a significant funding gap. The Department of Health and its Arm's Length Bodies are currently working on the development of a Financial Contingency Plan for 2024-25 and a Financial Recovery Plan in accordance with HSC Break-Even and Financial Recovery Circular Ref: HSC (F) 37 2023. However, it is clear that, if the Department of Health does not receive significant additional funding, the implementation of high impact savings will be required, with adverse consequences for an already highly pressurised health and social care system which would be very damaging for service delivery.

### Budget Position and Authority

The Budget Act (Northern Ireland) 2024, which received Royal Assent on 14 March 2024, together with the Northern Ireland Spring Supplementary Estimates 2023-24

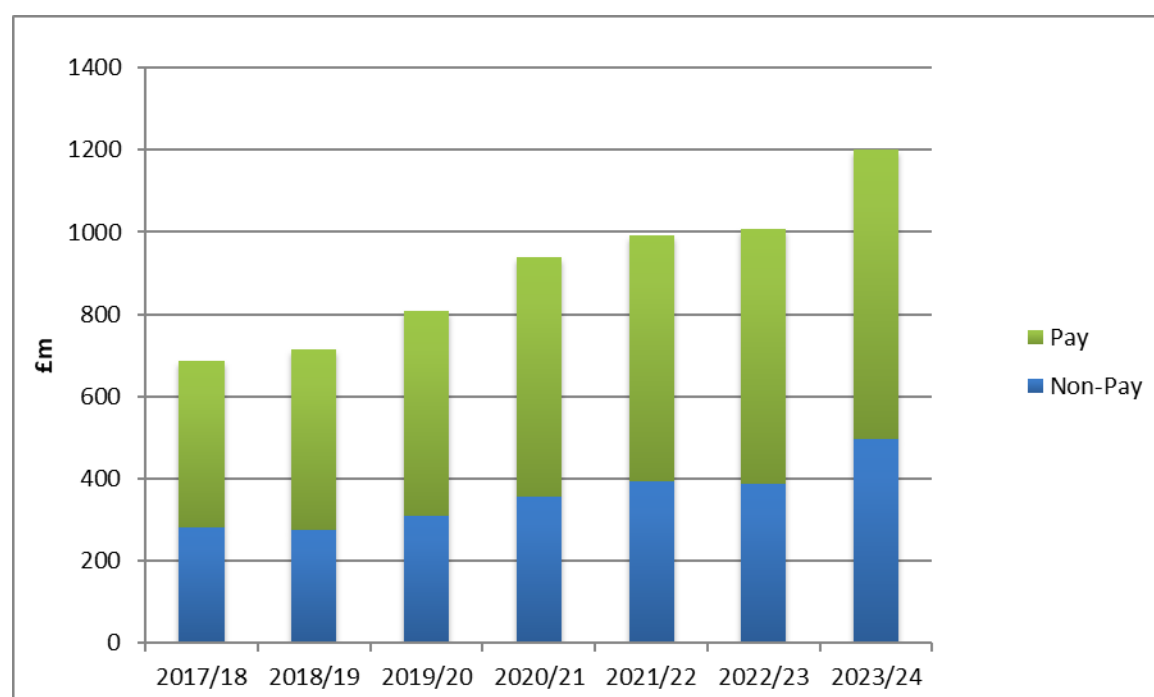
which were agreed by the Assembly on 9 April 2024, provide the statutory authority for the Executive's final 2023-24 expenditure plans. The Budget Act (Northern Ireland) 2024 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2024-25 financial year.

## Long term Expenditure Trends and Plans

### Revenue

The 2024-25 financial position for the NI Public Sector is very challenging. Across the HSC Sector significant challenges continue to be faced and are expected to intensify. The Southern HSC Trust is constrained by the level of funding available to the Health Sector by the NI Assembly. The Department of Health expects HSC Organisations to manage cost pressures through improved efficiency savings.

The table below shows revenue expenditure, broken down by pay and non-pay categories, incurred by the Southern HSC Trust from 2017-18 to 2023-24.



Savings plans will be implemented to drive down high Agency costs and achieve other areas of efficiencies in 2024-25 in order to remain within a much reduced budget allocation.

### Capital

The amount of capital investment afforded to the Southern HSC Trust is directly influenced by the overall economic environment. As part of a 10 year review of capital priorities, the Southern HSC Trust has identified a need for investment in excess of

some £1.6 billion. This includes redevelopment of Craigavon Area Hospital together with much needed infrastructure in particular for Primary Care and Social Care, backlog maintenance and diagnostic equipment requirements.

It is difficult to envisage a situation where the Southern HSC Trust will receive the level of investment it requires to deliver a modern and fully equipped estate given the financial constraints across the NI Executive, however the Southern HSC Trust will continue to ensure that funding is utilised in a manner that provides stability for its core services for the coming years.

## Compliance with Prompt Payment Policy

The Southern HSC Trust's objective is to pay 95% of invoices within 30 days of receipt of an undisputed invoice. This year the Trust has seen an increase of 2.75% in the number of bills paid compared to prior year. The Southern HSC Trust can report that it fell below its target this year paying 94.13% of invoices within 30 days, compared to 93.47% in 2022-23.

We continue to work closely with Business Services Organisation (BSO) Shared Services Centre to ensure that all efforts are made to maintain prompt payment compliance in the future.

## 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 Southern HSC Trust's payment policy is consistent with applicable terms and appropriate Government Accounting guidance and its measure of compliance is:

	<b>2024 Number</b>	<b>2024 Value £000s</b>	<b>2023 Number</b>	<b>2023 Value £000s</b>
Total bills paid	348,981	500,182	339,639	485,194
Total bills paid within 30 days of receipt of an undisputed invoice or under agreed payment terms	328,479	464,908	317,477	447,680
% of bills paid within 30 days of receipt of an undisputed invoice or under agreed payment terms	<b>94.13%</b>	<b>92.95%</b>	<b>93.47%</b>	<b>92.27%</b>
Total bills paid within 10 day target	265,456	370,867	230,558	334,072
% of bills paid within 10 day target	<b>76.07%</b>	<b>74.15%</b>	<b>67.88%</b>	<b>68.85%</b>

## The Late Payment of Commercial Debts Regulations 2013

	<b>£</b>
Amount of compensation paid for payment(s) being late	87
Amount of interest paid for payment(s) being late	-
<b>Total</b>	<b>87</b>



The late payment legislation (Late Payment of Commercial Debts Regulations 2013) came into force on 16 March 2013. The effect of the legislation is that a payment is normally regarded as late unless it is made within 30 days after receipt of an undisputed invoice.

During the current year, the Trust incurred charges of £87 in respect of late payment of commercial debt invoices. This comprised payments to one supplier. This charge is reflected in the Statement of Losses and Special payments in the Annual Report on pages 137-138.

## **Donations and Fundraising**

Charitable donations help us to improve the quality of care we provide to our patients and clients across the Trust. During 2023-24, the Trust received donations, income and legacies totalling £516k. The donated income is received mainly from former patients, clients and their relatives in recognition of the Trust's work and is expended on activities, in accordance with the Trust's Charitable Trust Funds procedures.

Examples of improvements the Charitable Trust Funds have supported financially during 2023-24 as a result of donations and legacies received include:

- ❖ Staff specialist training – including spinal cord stimulator ECMT, dermatology, anaesthesia and pain therapy, heart failure – this is staff education over and above that which would normally be provided from public funds;
- ❖ Counselling services for patients with a cancer diagnosis;
- ❖ Equipment for sensory play area; and
- ❖ Postgraduate training in advanced neonatal practice.

If you would like to make a donation to the Trust to help us continue to enhance the experiences of patients and clients in our care, please email us at [Donations.Account@southerntrust.hscni.net](mailto:Donations.Account@southerntrust.hscni.net).

## **Research and Development**

Research activity over the reporting period has increased to pre-pandemic baseline levels. This encouraging trend, together with additional specialty areas now active in research, enable the Trust to develop new treatments and interventions, that subsequently increase the quality of care provided to our patients and clients. Performance delivery on studies has been exemplary, with a number of areas achieving the fastest and highest recruitment of participants in Northern Ireland and the UK. Additional successes include; participation in national and international studies, consultancy work and collaborative work with industry to support product development. Contributing factors to this have been high degrees of engagement and collaboration of everyone within the research infrastructure, Trust, regional partners, and our stakeholders.

During the past year, it was also pleasing and encouraging to see research undertaken by a variety of professions including; Medical, Social Work, Nursing, Midwifery and Allied Health Professions staff. The Trust remains committed to supporting all staff undertaking research as part of their academic studies and have introduced for the first time a Clinical/Research field work placement for an undergraduate programme.

To survive and succeed the Trust must continually nurture and promote a culture of research, creativity and innovation in addressing the health and wellbeing needs of our changing society. In October 2023, work commenced on a new SHSCT Research and Development Strategy. A workshop took place with key stakeholders to determine expectations and commitment levels and a number of key priorities were identified. The launch of the strategy is planned for June 2024.

Work undertaken in all areas demonstrates the value that research brings, not only to the local population but also as an employer of professionals interested in undertaking research in the years to come.

## SUSTAINABILITY REPORT

For the Southern HSC Trust sustainability means working within the available environmental and social resources to protect and improve health, now and for future generations. In practice, this requires us to reduce our carbon footprint, minimise waste and pollution, make the best use of scarce resources and build resilience to a changing climate, while providing uninterrupted healthcare and wellbeing services to the local community.

Significant funding is required to continue to move the Trust forward to meet our carbon and sustainability targets. Carbon and the road to Net Zero poses a significant challenge to the Trust which has been solidified by the introduction of The NI Climate Change Bill (2021) which established a 1990 baseline for the context of future carbon reduction targets to deliver Net Zero by 2050.

The Trust aims to promote a proactive approach to environmental management to maximise benefits and minimise risks to service users, staff, visitors, contractors and others through responsible management.

The 5-year Trust strategy and action plan has been developed to build on the work already achieved and to provide a more holistic approach to sustainability. We are now at the end of year 3 of the plan. Subject to identified funding, there will be continuing focus on green spaces, biodiversity, sustainable procurement, carbon reduction (decarbonisation) and transport. Specific actions include improved automatic monitoring of heating systems, the development and implementation of strategies for thermal comfort in facilities, electric vehicle charging points, PV Installations, green spaces & biodiversity and identifying sustainability improvements in our procurement processes. All of these will have a positive impact towards the Trust achieving its Carbon reduction targets as well as making financial savings in the longer term.

Despite significant financial challenges, the Trust has demonstrated continual improvement in environmental sustainability with the following achievements during 2023-24:

### **Working to establish a carbon baseline**

In 2023-24, the Trust designated an executive lead for Sustainability. Their role is to act as a main point of contact in relation to sustainability and to lead and represent the Trust at regional level. This includes the newly established Health Estates regional working group who are committed to a Departmental Action plan.

Monitoring systems for Energy, Utility and Waste emissions are well advanced within the Trust and works are progressing in relation to developing carbon baselining of Fleet, Medical gases, Measured Inhalers and Business travel reporting.

**Development of a Climate Action Plan:** Currently the Trust is developing a plan, due to be issued mid-2024-25. It is envisaged that this will require considerable resources from both a financial perspective and from our staff to deliver the requirements of the Climate Change Act 2022 (NI) (CCA). The Trust continues to proactively seek additional internal “invest to save projects” and the external resources necessary to help implement this plan.

**Reduction of emissions to mitigate climate change:** A number of examples have been identified throughout this Sustainability report and when combined, will have a positive impact to mitigating emissions. Work is ongoing to reduce energy and waste, increase biodiversity and afforestation across our site and to reduce, where possible, procurement purchases and travel/ mileage. Together, these steps will work towards achievement of the Trust’s 2030 and 2050 goals.

Sustainable, procurement and third party contractors will have a very large impact on the Trust’s carbon reduction targets and partnering supply chains with BSO PALS will have very important roles to play. The ability to monitor this area will be a few years away as it will require the extended supply chain to implement the necessary carbon quantification and reporting structures.

### **Adapting to the impacts of climate change**

Work is currently ongoing to develop Northern Ireland Climate Change Adaptation Programme (NICCAP3) which factors climate change into business resilience and risk planning

The Trust is currently developing a risk assessment in conjunction with the region and Department of Health Working Group to assess the impact of Climate change on our services. This is hoped to be completed in mid-2024.

### **Areas of poor sustainability which require improvement**

The Estates sustainability team have commenced a rolling audit system in relation to waste and energy over 400 identified departments and are continually identifying areas of improvement within these areas of Trust activity. The Trust sustainability committee continually discuss, promote and support areas where improvements can be made. Reoccurring weekly global awareness email campaigns also encourages ceasing of unsustainable practices in energy and waste.

The Estates team maintain an improvements register of areas they are aware of which require further resources to improve/rectify and regularly bid for both ring-fenced and general capital to take for sustainability projects where possible within resources.

### **Automatic Monitoring of Heating Systems**

The Trust has made significant investments over the last 3 years of £1m+ in upgrading its automatic monitoring of heating system and, subject to funding availability in 2024-25, hopes to expand its system to remaining buildings.



## Minimising waste and promotion of resource efficiency

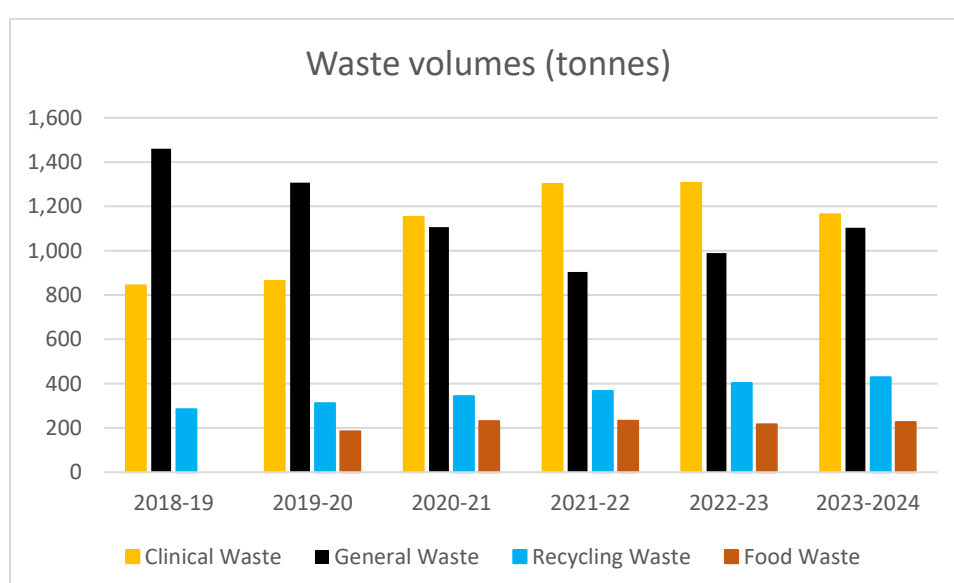
Waste continues to be segregated at collection points into waste streams to comply with statutory requirements, recycling and reduced costs. The Southern HSC Trust in 2023-24 generated 1,531 tonnes of domestic waste and 1,165 tonnes of clinical waste.

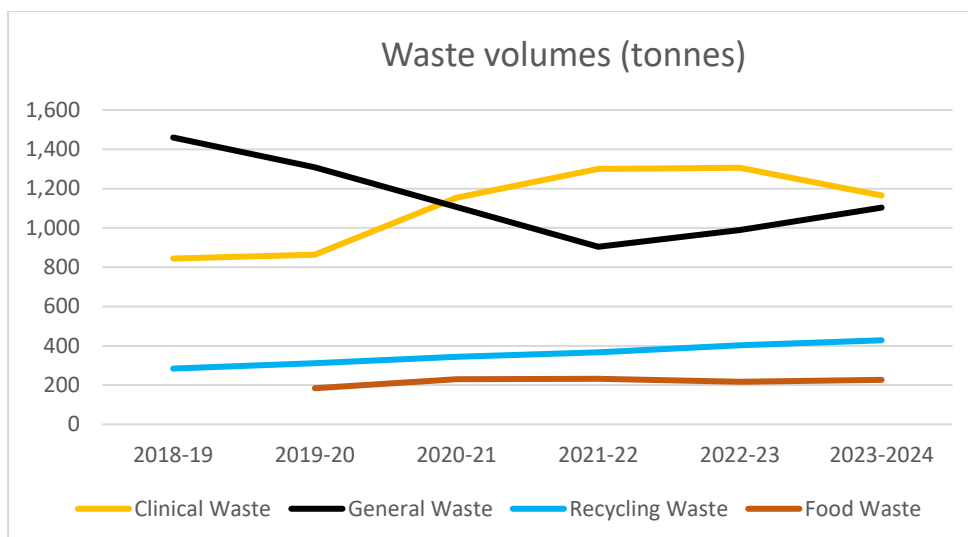
The Trust is committed to reducing waste volumes and has set out a number of reduction targets:

- Reduce overall waste tonnage by 1% per annum (0.10% increase for 2023-24)
- Reduce clinical waste tonnage by 1% per annum (10.79% reduction for 2023-24)
- Reduce general waste tonnage by 1% per annum (11.52% increase for 2023-24)
- Reduce food waste tonnage by 1% per annum (4.63% increase for 2023-24)
- Increase recycling tonnage by 1% per annum (6.2% increase for 2023-24)

The Trust has not met all of these targets in 2023-24 as demonstrated in the graphs below, however, one of the main drivers is to reduce clinical waste levels due to high disposal costs.

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Volume	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes
Clinical Waste	844	863	1,153	1,301	1,306	1,165
General Waste	1,460	1,308	1,107	904	989	1,103
Recycling Waste	284	311	344	367	403	428
Food Waste		184	230	232	216	226





The continuing use of Personal Protective Equipment (PPE) has affected clinical waste volumes. Staff have been reminded of the need to segregate waste.

The Trust achieved a recycling rate of 3.4% of cardboard and 10.17% of Mixed Dry Recyclables. Overall, a recycling rate of 13.57%.

30% of the domestic waste is recycled (therefore the Trust overall recycled 43.57% of general waste. The remaining 70% of domestic waste is recovered going as a Refuse Derived Fuel (RDF) to cement kilns or provide energy from waste plants.

In 2023-24, 226 tonnes of food waste was collected across the Trust, which is a 10 tonne increase on last year. Food waste generated in the catering services department is collected and treated using anaerobic digestion, which generates biogas, which is used in contractors' vehicles and to generate electricity for their premises.

### Clinical waste

The clinical waste is autoclaved by the contractor and where possible sent for refuse-derived fuel, otherwise it is sent to landfill. The hazardous clinical waste is sent to Leeds for high temperature incineration.

The continuing use of PPE affects clinical waste volumes. Staff have been advised on the impact and cost to the Trust and to segregate waste.

### Reduction of Single-Use Plastics (SUP)

Within the Waste management team in conjunction with functional support services, all SUP utensils and cups across the Trust within dining areas have replaced by compostable or reusable types. Widespread availability of mains drinking water has been communicated to all staff significantly reducing the use of plastic water bottles within the Trust. A focus is now being made in relation to removing plastic single

sachets of condiments. In Clinical areas, trials of replacing plastic medicine cups with paper compostable ones have progressed along with the reduction of disposable mop heads and, if successful, will be rolled out across the Trust in 2024-25.

### **Reduction of energy use and improved energy efficiency including the use of renewable energy**

During the past 3 years the energy market has proven to be one of the biggest challenges. The Energy Sector has seen cost spike from £0.40 per therm, at times this figure reached close to £5.00 per therm. Energy budgets within this period have increased considerable from an annual spend of £4-5 million peaking at £14 million, an increase of almost 180%.

At this time the SHSCT, along with the other trusts including NIFRS & NIAS took time and resource to develop a risk strategy that would see the SHSCT try to better the market performance during this unprecedented time.

In 2023-24, the Trust successfully implemented £808K of dedicated Energy projects, which falls in line with the fabric first approach with £565k of Cavity & loft Insulation across 28 SHSCT buildings and £315k of Solar PV panels across seven selected SHSCT facilities. Total Projected Savings include £134,671 in energy costs with 1,496,345 kWh reduction in usage and 290 tCO<sub>2</sub>e carbon saved annually.

The investment in renewables through PV Installs is critical if the SHSCT wants to rectify the growing deficiencies in their renewable energy capabilities at a time where the Public Sector is racing to reduce their direct emissions by 50% by 2032. Over the last 3 years, the Estates team have installed nearly 30 PV installations and in 2023-24, the latest scheme has projected savings of £32,817 per annum with 21,000 kWh per annum in energy savings and avoiding 25 tCO<sub>2</sub>e per annum of carbon being produced

For 2024-25, the Trust is in the process of applying for £4.6m of funding for departmental Energy projects, which falls in line with the fabric first approach LED Lighting, AMR Installations, Cavity Loft Insulation, Small Scale PV Install, Large Scale PV Install and Window Upgrades.

These improvements to our Estates will help address a key aspect and KPI within the Action plan set to the Trust by the Deputy Secretary of Resources & Corporate Management Group. This aspect of the action plan enables the Trust to meet aspects of The Climate Change Act (NI) 2022 (CCA) which places duties on the NI departments to exercise their functions in a manner that is consistent with the objectives of the Act.

This includes collectively meeting the carbon reduction targets, building resilience through adaptation to climate change, and enhancing the natural environment and biodiversity.

The following tables illustrate our current position regarding utilities management.

Utilities Consumption	2023-24	2022-23 Restated	2021-22 Restated	% Change	Movement
Grid Electricity & CHP Generated (kWh)	25,786	25,260	24,241	2%	The Trust Estate has increased by 2% with additional building and energy intensive equipment added. With this, the Trust has maintained efficiency of 96kWh/m2.
Heating – Natural Gas & CHP Natural Gas (kWh)	69,761	68,394	68,478	2%	Note this includes natural gas consumed for the generation of electricity. The bulk of the increase is due to a number of facilities migrating from carbon heavy oil to natural gas including South Tyrone Hospital.
Heating Oil & Generator Fuel (kWh)	9,292	13,539	11,768	-31%	Significant reduction in oil has been shown this year with the migration to natural gas as detailed above. This has also led to a 40% reduction in tCO2 against Gas Oil.
Water (m3)	272,343	281,824	287,975	-3%	In 2023-24 the Team made significant leak reductions with the assistance of infrastructure upgrades, better monitoring and incident investigations.
LPG (kWh)	854	1,243	737	-31%	The Trust is maintaining good progress driving down LPG usage due to added telemetry and monitoring by the Energy Team. Any deviation will follow the energy incident process. The migration from standard LPG to 100% biofuel LPG can deliver upwards of a 40% reduction in tCO2e.

Note that the above can be subject to change due to estimated/ actual records and out of sequence billing.

Figures for 2022-23 have been restated due to reporting being expanded to cover combined heat and power which was not included previously.

## Reduce water usage

With the appointment of two energy offices in July 2023 into the Estates Sustainability Team, this has provided additional oversight to audit and review water usage across our sites looking for demand spikes and leaks within our systems resulting in a 3% decrease in overall consumption. Watermain infrastructure upgrade works were completed in 2023-24 to old cast iron systems in Lurgan Hospital and district heating pipework replaced to Bannvale Site, which was a source of considerable leaks.

Further works are planned for Craigavon Site in 2024-25 subject to funding availability and the Trust continues to annually seek additional funding to invest in its utility infrastructure along audits of usage. The Estates water safety team also provide a key role in water conservation where possible upgrading older WCs to more water efficient types and replacing leaking taps and equipment.

## **Trends in relation to energy metrics, recycling, water usage and waste to landfill**

The Trust's sustainability team continues to develop its reporting system for energy, utilities and waste. With investment, is planned that this system will be further expanded across additional areas of the Trust in 2024-25 including additional metering, data collection, use of analytics and audits thus improving remaining areas facilitating carbon reporting.

Detailed waste and energy usage figures are presented quarterly to the Estates governance committee and an annual sustainability report is presented to SLT and Trust governance committee showing trends and achievements. A central energy software system collating all energy information has been implemented by Strategic Investment Board Ltd in 2023-24, which the Trust is fully engaged with and is intended to continue into 2024-25.

Regional waste and energy contracts incorporating all Trusts are discussed regularly at regional meetings and best practice, knowledge and expertise across the region applied to developing contracts, which incorporate sustainability into its procurement and delivery.

Energy Usage Benchmark (CIBSE) - To better understand the true energy performance of our Trust in 2023-24 the Energy Team underwent an extensive exercise to normalise energy data across our estate in kWh/m<sup>2</sup>.

We decided to use CIBSE metrics to better standardise performance metrics that allows us to compare the building's energy performance against industry standards and similar buildings. This helps identify areas for improvement and set realistic targets for energy efficiency.

It also helps the Trust improving energy efficiency based on CIBSE benchmarks, which can lead to significant cost savings by reducing energy consumption, operational costs, and maintenance expenses over the long term.



General Acute Hospital					
Good Practice		Typical Practice		Bad Practice	
Electricity	Fossil Fuels	Electricity	Fossil Fuels	Electricity	Fossil Fuels
80	216	113	267	>114	>267
Total	296	Total	380		

Health Centre/Clinic					
Good Practice		Typical Practice		Bad Practice	
Electricity	Fossil Fuels	Electricity	Fossil Fuels	Electricity	Fossil Fuels
61	94	71	136	>72	>136
Total	155	Total	207		

Residential Care Home					
Good Practice		Typical Practice		Bad Practice	
Electricity	Fossil Fuels	Electricity	Fossil Fuels	Electricity	Fossil Fuels
66	256	83	337	>84	>338
Total	322	Total	420		

Community Centre					
Good Practice		Typical Practice		Bad Practice	
Electricity	Fossil Fuels	Electricity	Fossil Fuels	Electricity	Fossil Fuels
33	107	47	139	>48	>140
Total	140	Total	186		

Overall, using CIBSE benchmarks provides a structured approach to assessing and improving energy performance, leading to more sustainable and cost-effective building operation. The standardised target ranges are shown below for Health Care.

The continued installation and utilisation of an AMR (Automatic Meter Reading) systems provide effective measurement of consumption across the main utilities at frequent intervals (half-hourly is standard). The consumption data is analysed within a software package to provide a complete picture of each building's consumption and identify areas for energy and carbon savings across the three main utilities. It is planned to seek £900k of further investment in 2024-25 to further develop this system.

### Reducing the environmental impacts from ICT and Digital

The Trust ICT team continue to drive sustainability within their service delivery strategy by;

- (i) supporting the working from home policy of the Trust,
- (ii) in its numerous contracts ensuring sustainability clauses are included,
- (iii) in its specification and procurement ensuring the most energy efficient equipment is available; and
- (iv) dealing with its waste ensuring high levels of recycling of all redundant equipment.

However the new encompass project being implemented within the Trust in 2024-25 and 2025/26, which whilst it will see a reduction in paper records use within the Trusts, it will have the potential to introduce several thousand additional electronic devices increasing need for more equipment and energy demands.

### **Embedding sustainability into procurement practices**

The Trust continues to work in collaboration with centres of procurement excellence to promote environmental sustainability and to engage with suppliers to promote awareness of sustainable approaches in their supply chains.

Although currently a very small team, the Trust Estates sustainability team are extremely proactive in driving sustainability within the Trust and currently all waste and energy contracts have a high emphasis on sustainability. It is planned in 2024-25, subject to provision of resource within the Team, to directly engage with other Contract managers within the Trust and the Finance team to embed sustainability within all new procurements both at a local and regional level with our partners BSO PALS.

### **Carbon offsetting**

The Trust have identified approx. 6.5 hectares across the current Estates for afforestation and subject to funding in 2024-25 it hopes to plant approximately 8,000 trees which will further build upon the 10,000 planted in 2021-22.

### **Improving biodiversity across the Trust Estate**

The Trust obtained a silver award under the Northern Ireland 2023 Environmental Benchmarking Survey and plans to works to improving this in 2024-25 depending on funding and resource availability.

Enhancements have been made to the Estate within the grounds maintenance contract to plant Mature Tree specimens on Lurgan, Daisy Hill and South Tyrone Hospital Sites. Staff have been encouraged to enjoy Green Spaces on or near our facilities for exercise, rest, relaxation and recovery. Five additional external spaces have been created this year including Bluestone, Lurgan Hospital, Trasna House, Hill building at St Luke's and Lisnallay House.



A number of bulb planting projects were completed by service users across the Trust Estate and the MHL Day Opportunities Group developed a sunflower field at the Bannvale site, which was supported by the Senior Management Team and Estates Services.

The Trust has also signed up to the bronze level of BITC Business and Biodiversity Charter and is developing a 3-year plan to obtain this certification. Biodiversity surveys are also currently ongoing within eight Trust sites and action plans will be developed in 2024-25, which should identify areas where further improvements can be made.

### **Moving towards a low / zero emission fleet**

A newly created Transport committee was formed late in 2023-24 to take forward matters relating to Transport and in particular the development of (1) green travel Plans and (2) a decarbonisation strategy for the Trust transport Fleet. The latter will be a collaborative working arrangement between the Estates Sustainability team and MHLD directorate who are responsible for the Transport Fleet. A Transport decarbonisation strategy will be further developed in 2024-25 and immediate measures are being progressed such as use of biofuels and purchase of additional electric vehicles.

Staff travel has continued to reduce due to teams embracing the Trust Working from Home Policy and the investment in IT facilities, telecommunication and virtual meetings has meant travel between sites continues to be reduced. Estates have also continued the installation of installed a number of electric charging points across the Trust numbering a total of 30 points.

## Building and Services Infrastructure Improvements

Other improvement projects undertaken during 2023-24 have included:

- **Craigavon Area Hospital Laundry Equipment replacement**

As an initial phase of a spend to save programme, over £400,000 of capital investment was provided in 2023-24 to replace some of the primary equipment within the Laundry Service in Craigavon Area Hospital. It is hoped that the second Phase of works will be funded in 2024-25, which will lead to service and energy savings of approx. £300,000 per annum

- **Renewable Energies Photovoltaic**

£300,000 of capital investment was made to a further 14 facilities in relation to the installation of solar photovoltaic panels providing clean renewable energy. This brings the number of Trust properties with PV installations to approx. 25 in last 3 years.

- **Building Insulation & Energy Efficiencies**

Further investment of £600,000 was made within the estate under spend to save initiatives in relation to the installation of cavity wall insulation and roof insulation across a number of HSC Trust facilities. These facilities are being specifically targeted due to their usage profile which will provide maximum energy savings for the Trust, and it will reduce maintenance liabilities and improve thermal comfort levels for building users

On behalf of the Southern HSC Trust, I approve the Performance Report encompassing the following sections:

- Performance Report
- Performance analysis

Signed: 

**Dr Maria O'Kane**  
**Accounting Officer**

**Date: 02 July 2024**

# 3

## 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: 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 Southern HSC Trust's governance structures and how these support the achievement of the Trust's objectives.

The Remuneration and Staff Report sets out the Southern HSC 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, composition and associated costs.

The Accountability and Audit Report brings together some key financial accountability documents within the annual accounts. This report includes a statement of compliance with regularity of expenditure guidance, a statement of losses and special payments recognised in the year and the external auditor's certificate and audit opinion on the financial statements.

## Corporate Governance Report

### Directors' Report

The Board of Directors during the year was as follows:



**Eileen Mullan, MBE**

Chair of Trust Board

Tel: 028 3756 0142

[Eileen.Mullan@southerntrust.hscni.net](mailto:Eileen.Mullan@southerntrust.hscni.net)

### Executive Directors



**Dr Maria O'Kane**

Chief Executive

Tel: 028 3756 0143

[Maria.OKane@southerntrust.hscni.net](mailto:Maria.OKane@southerntrust.hscni.net)



**Heather Trouton**

Executive Director of Nursing, Midwifery, AHPs and Functional Support Services.

Deputy Chief Executive – Appointed for a two year period from 20 June 2023

Tel: 028 3756 1324

[Heather.Trouton@southerntrust.hscni.net](mailto:Heather.Trouton@southerntrust.hscni.net)



**Colm McCafferty**

Interim Director until 26 February 2024 - Commenced Director post 27 February 2024

Director of Children and Young People's Services/Executive Director for Social Work

Tel: 028 3839 8347

[Colm.McCafferty@southerntrust.hscni.net](mailto:Colm.McCafferty@southerntrust.hscni.net)



**Catherine Teggart**

Executive Director of Finance, Procurement and Estates

Deputy Chief Executive – From 20 June 2023, resigned  
26 February 2024

Tel: 028 3756 0131

[Catherine.Teggart@southerntrust.hscni.net](mailto:Catherine.Teggart@southerntrust.hscni.net)



**Dr Stephen Austin**

Executive Medical Director

Tel: 028 3756 2287

[Stephen.Austin@southerntrust.hscni.net](mailto:Stephen.Austin@southerntrust.hscni.net)

**Directors**



**Vivienne Toal**

Director of Human Resources and Organisational  
Development

Tel: 028 3756 0125

[Vivienne.Toal@southerntrust.hscni.net](mailto:Vivienne.Toal@southerntrust.hscni.net)



**Margaret O'Hagan**

Commenced Director post 12 February 2024, on  
Secondment basis until Permanent Appointment from 1  
April 2024

Programme Director for Transformation and Improvement

Tel: 028 3756 0143

[Margaretm.ohagan@southerntrust.hscni.net](mailto:Margaretm.ohagan@southerntrust.hscni.net)



**Cathrine Reid**

Director of Surgery & Clinical Services

Tel: 028 3756 1336

[Cathrine.Reid@southerntrust.hscni.net](mailto:Cathrine.Reid@southerntrust.hscni.net)



**Brian Beattie**

Director of Adult Community Services

Tel: 028 3756 0115

[Brian.Beattie@southerntrust.hscni.net](mailto:Brian.Beattie@southerntrust.hscni.net)



**Trudy Reid**

Director of Medicine and Unscheduled Care

Tel: 028 3756 1335

[Trudy.Reid@southerntrust.hscni.net](mailto:Trudy.Reid@southerntrust.hscni.net)



**Jan McGall**

Director of Mental Health & Disability Services

Tel: 028 3883 3222

[Jan.McGall@southerntrust.hscni.net](mailto:Jan.McGall@southerntrust.hscni.net)



**Lesley Leeman**

Retired 31 August 2023

Interim Director of Performance and Reform



**Elaine Wilson**

Commenced 19 June 2023

Director of Planning, Performance & Informatics.

Tel: 028 375 60114

[Elaine.WilsonDoP@southerntrust.hscni.net](mailto:Elaine.WilsonDoP@southerntrust.hscni.net)

**Non Executive Directors**



**Pauline Leeson, CBE**

Chair of the Performance Committee (up to December 2023)

Chair of Governance Committee (from February 2024)



**Geraldine Donaghy**

Chair of the Charitable Trust Funds Committee



**John Wilkinson, OBE**

Chair of the Patient & Client Experience Committee

Tenure ended 14 February 2024



**Martin McDonald, MBE**

Chair of Governance Committee (to November 2023)

Chair of Audit and Risk Assurance Committee (from February 2024)





**Rob Lynas**

Commenced 15 February 2024



**Liz Ensor**

Commenced 1 January 2024

Chair of Patient and Service User Experience Committee  
(from March 2024)



**Hilary McCartan**

Chair of Audit Committee (up to October 2023)

Chair of Finance, Performance and Workforce  
Committee (from February 2024)



**Jackie Johnston**

Commenced 15 February 2024

A declaration of Board members' interests has been completed and is available on the Trust's website [www.southerntrust.hscni.net](http://www.southerntrust.hscni.net). 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 and this can be found at Note 19 to the Financial Statements.

## **Audit**

The Chief Executive and Directors of the Southern HSC Trust have responsibility for the preparation of the annual report and accounts. The accounts and supporting notes relating to the Southern HSC Trust's activities for the year ended 31 March 2024 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). They have been audited by the Northern Ireland Audit Office. The report of the Comptroller and Auditor General is included on pages 139 to 143.

The Chief Executive and each Director has taken all the steps that he/she ought to have taken as Chief Executive/Director to make him/her aware of any relevant audit information and to establish that the Southern HSC Trust's auditor is aware of that information. So far as the Chief Executive and each Director is aware, there is no relevant audit information of which the Southern HSC Trust's auditor is unaware.

The notional cost of the audit of the accounts for the year ended 31 March 2024 which pertained solely to the audit of the accounts is £95,800, made up as follows, public funds £87,500 and Trust Funds £8,300. In 2023-24 the Southern HSC Trust did not incur any fees from the Northern Ireland Audit Office in respect of the National Fraud Initiative.

## **Information Governance**

The Southern HSC Trust works with the Information Commissioners Office (ICO) to resolve any complaints received by them into how the Southern HSC Trust handles data. In 2023-24 there were 8 data breach incidents reported to the ICO. Details of how the Trust manages information risk is detailed in the Governance statement on pages 68 to 104.

## **Complaints Management**

The Trust are committed to providing safe, high quality, patient-centred treatments and services. Service User Feedback is of the utmost importance to the Trust to inform service improvement and as such, all complaints, comments, suggestions, enquiries and compliments are encouraged. These will be received positively, sympathetically and investigated promptly to obtain resolution and avoid recurrence where a system failure has been identified.

In order to continually improve service delivery, the Trust encourage service users, family and carers to participate in providing feedback about their experiences of the care and treatment received. The Trust acknowledges that on occasion, things can go wrong and / or service delivery does not meet service user expectations. Service users, relatives and carers will be offered to provide feedback about their experiences through completion of the "We Value Your Views" leaflet, discussing with staff or through contact with the Service User Feedback Team.

Complaints received are reviewed in an open, transparent, just culture manner, using learning identified to improve services and the experience of people using our services.

Within the Trust it is the responsibility of all staff to utilise the information and trends from their complaints to ensure learning and development takes place at a service and individual level. Information in relation to Complaints management is shared with the Trust Senior Leadership Team and Governance Committee. The number of complaints received for the financial year 2023-24 was 681 (2022-23: 904).

Further information on the monitoring of complaints is contained in the Service User Feedback Annual Report, which is published on the Trust's website. The Trust Complaints Team can be contacted at [serviceuserfeedback@southerntrust.hscni.net](mailto:serviceuserfeedback@southerntrust.hscni.net) or Tel: 028 375 64600.

## Non-Executive Directors' Report

### *Eileen Mullan, MBE (Chair)*



As Non-Executive Directors, our role is to provide support, challenge and be an independent voice, at corporate level, across all the work of the Southern HSC Trust.

Following a recruitment exercise conducted by the Department of Health, three Non-Executive Director appointments were made to the Board of the Southern HSC Trust during 2023-24. In addition, the tenure of one of the existing Non-Executive Directors was extended for a further one-year period. The tenure of one Non-Executive Director, Mr John Wilkinson, ended in

February 2024.

New Non Executives have undertaken a programme of induction into their role in the Southern HSC Trust.

The Department of Health Public Appointments Unit has scheduled a further HSC Trust Non-Executive Directors competition for launch in April 2024. The competition will seek to recruit the following:

- 3 x Lay Non-Executive Directors
- 1 x Finance Non-Executive Director

### **Trust Board**

Trust Board is made up of Non-Executive Directors and Executive Directors who work collectively on the common goal of the health and wellbeing of the population across the Southern HSC Trust who we are here to serve. There have been new Director appointments to the Trust Board during 2023-24 and, as Non-Executive Directors, we welcome this strengthening and building of the Trust Board team.

Trust Board meetings continued to be held both virtually and face to face throughout 2023-24. Five formal public meetings were held when key aspects of Board business were considered under the themes of strategy, accountability and culture. Looking ahead, future developments will include live streaming on social media of all our Trust Board meetings. User engagement remains a key focus for Trust Board.

## Trust Board Workshops

The Board held the following informal workshops during the year:

Workshop	27 April 2023 <ul style="list-style-type: none"><li>Review of Corporate and Clinical and Social Cre Governance structures/Maintaining High Professional Standards training</li></ul>
Workshop	18 May 2023 <ul style="list-style-type: none"><li>Communication and Complaints/Overarching view from the Ombudsman</li></ul>
Workshop	18 September 2023 <ul style="list-style-type: none"><li>Risk Appetite / Board Governance Self-Assessment Tool / Draft Partnership Agreement</li></ul>
Board Development Day	09 November 2023 <ul style="list-style-type: none"><li>Draft Risk Appetite Statement / SHSCT 5-Year Vision and Strategy / Board reflections / Working better together</li></ul>
Workshop	29 November 2023 <ul style="list-style-type: none"><li>Southern Trust Financial Position</li></ul>
Workshop	14 December 2023 <ul style="list-style-type: none"><li>Meeting Between Trust Board And The Comptroller And Auditor General</li></ul>
Workshop	15 January 2024 <ul style="list-style-type: none"><li>Financial Recovery</li></ul>
Workshop	08 February 2024 <ul style="list-style-type: none"><li>Becoming a Trauma Informed Practice</li></ul>
Board Workshop	27 February 2024 <ul style="list-style-type: none"><li>Financial Recovery</li></ul>
Board Workshop	21 March 2024 <ul style="list-style-type: none"><li>Southern Trust Strategy and Vision 2030</li></ul>

## Committees

Trust Board is supported by seven Committees all of which are chaired by a Non-Executive Director. As a result of the new corporate governance structure within the Southern HSC Trust, the Committee structure was revised and work took place (June – August 2023) to define the terms of reference for the revised committees. All Board Members and Directors were engaged in this process. The revised composition of Committee Membership, Chairs and attendees was approved by Trust Board in September 2023.



The change to Committee Chairs during 2023-24 is as follows:

Audit and Risk	Mr Martin McDonald (Non-Executive Director)
Governance	Mrs Pauline Leeson (Non-Executive Director)
Finance, Performance and Workforce	Mrs Hilary McCartan (Non-Executive Director)
Charitable Trust Funds	Ms Geraldine Donaghy (Non-Executive Director)
Patient and Service User Experience	Mrs Liz Ensor (Non-Executive Director)
Strategy and Transformation	Ms Eileen Mullan (Trust Board Chair)
Remuneration and Terms of Service	Ms Eileen Mullan (Trust Board Chair)

Each Committee Chair presents a report to Trust Board to provide feedback on the work of their respective Committee and escalate issues of concern. The Non-Executive Director's commitment to their role can be evidenced in the following ways:

- Committee Chair report to Trust Board
- Attendance at committee meetings
- Leadership Walks
- Corporating Parenting
- Participation in the recruitment of Directors
- Charing Consultant recruitment panels
- Attendance at Non Executive Board Workshops

## Looking Ahead

We recognise the significant challenges that face Health and Social Care and the desire there is for change. We look forward to the Southern HSC Trust playing its part in the region to support the population in receiving the right care at the right time and in the right place.

Non-Executive Directors look forward to working with our Executive colleagues, partners and stakeholders in playing our part in the health and social care agenda in the year ahead.



**Eileen Mullan, MBE**

**Chair**

## 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 Southern Health and Social Care 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 Southern Health and Social Care Trust and 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 the Government Financial Reporting Manual (FReM) and in particular to:

- observe the Accounts Direction issued by the Department of Health, including the 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 accounts;
- prepare the accounts on a going concern basis, unless it is inappropriate to presume that the HSC body will continue in operation; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Permanent Secretary of the Department of Health as Principal Accounting Officer for Health and Social Care Resources in Northern Ireland has designated Dr Maria O'Kane of the Southern Health and Social Care Trust as the Accounting Officer for the Southern Health and Social Care Trust. The responsibilities of an Accounting Officer, including responsibility for the regularity and propriety of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the Southern Health and Social Care Trust for which the Accounting Officer is responsible, are set out in Managing Public Money Northern Ireland (MPMNI) published by the Department of Finance.

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

## **Governance Statement for the Year ended 31 March 2024**

### **1. Introduction/Scope of Responsibility**

The Board of the Southern HSC Trust (the Trust) is accountable for internal control in the Trust. As Accounting Officer, 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 (DoH).

In delivering these responsibilities, I am accountable for the Trust's performance to the Department of Health (DoH) via the Strategic Planning and Performance Group (SPPG).

Formal performance management meetings at a senior level with the SPPG are in place and supported by a range of programme specific performance management arrangements for activities within each operational directorate.

In my role as Accounting Officer, I am supported by the Trust Board. The Board exercises strategic control over the organisation through a system of corporate governance which includes the following:

- Schedule of matters reserved for Board members at Trust Board meetings;
- Partnership Agreement;
- Standing orders including powers reserved to the Board and powers delegated to its Committees and standing financial instructions (as referred to above);
- Audit and Risk Assurance Committee;
- Governance Committee;
- Charitable Trust Funds Committee;
- Remuneration and Terms of Service Committee;
- Patient and Client Experience Committee;
- Finance, Performance and Workforce Committee; and
- Strategy and Transformation Committee.

In order to improve and assure the quality, safety, satisfaction, effectiveness and efficiency of services, the Trust works in partnership with the SPPG, Public Health Agency (PHA), other Trusts, Co-operation and Working Together (CAWT) and other public sector partners, including elected representatives, local councils, the voluntary and community sector, universities, regulators, trade unions and the public. A range of processes are in place to facilitate and enable this partnership working, a few examples are:

- meetings with Trust, SPPG, Local Commissioning Group (LCG) and PHA senior teams collectively and on issue specific basis;

- monthly meetings between Trust Chief Executives and SPPG/Department of Health;
- regional and local Programme Boards to work together to implement specific aims including delivering better value;
- engagement with local GPs through locality forums and senior Trust attendance at Local Medical Committee (LMC) services development committee and specific local GP engagement as part of the Trust's established "SLT Bronze" bi- weekly meetings in response to ongoing infection prevention and control arrangements;
- forums such as the regional children's service planning project board that include HSC partners, community/voluntary sector and other statutory agencies such as Education;
- promoting health and wellbeing processes involving a range of partners in the voluntary and community sector focussed on ensuring effective collaboration to address the specific and individual needs of local communities e.g. Daisy Hill Pathfinder;
- monthly meetings between the Trust, universities and regulators to improve teaching, training and clinical care;
- quarterly formal meetings with the Chair, Chief and each of the five main political parties, together with regular and ongoing contact through political requests for information;
- monthly meetings with the Encompass Steering Group and feeder groups;
- bimonthly meetings with CAWT;
- alternate weekly meetings in relation to the integrated care system and formation of the Area Integrated Partnership Boards;
- Senior Leadership and partnership working with councils in support of local Community Plans and emergent development of integrated care system model testing in the Southern Trust area;
- with patients and carers through the management of standards of patient care, patient feedback through the Care Opinion platform and patient fora and the implementation of the Trusts Working Together Strategy;
- frequent communication with the Urology Services Inquiry and Southern Trust Staff in relation to servicing the ongoing Statutory Public Inquiry;
- regular developmental contact between the Trust and MerseyCare in supporting the development of culture and senior leaders within the Trust; and
- engagement through the co-production approach being taken to develop our Strategy 2030.

## **2. Compliance with Corporate Governance Best Practice**

The Trust applies the principles of good practice in Corporate Governance and remains committed to ensuring that its governance systems and arrangements are co-ordinated and effective. Work continues on embedding the new and improved

structures and processes for corporate and clinical and social care governance across the Trust.

To ensure compliance with Corporate Governance best practice, the Trust has in place various measures which include the following:

### **Partnership Agreement**

With respect to the Trust's inter-relationship with the DoH, the Partnership Agreement between the DoH and the SHSCT has been agreed and is effective from 7 February 2024. This document sets out the partnership arrangements between the Southern Health and Social Care Trust and the Department of Health (the Department). In particular, it explains the overall governance framework within which Southern Health and Social Care Trust operates, including the framework through which the necessary assurances are provided to stakeholders. Roles/responsibilities of partners within the overall governance framework are also outlined.

### **Standing Orders, Scheme of Delegation and Standing Financial Instructions**

The Standing Orders, Scheme of Delegation and Standing Financial Instructions are key governance documents for the Trust and are in place to provide the regulatory framework for the business conduct of the Trust and define its ways of working. In line with good governance, the Standing Orders, Scheme of Delegation and Standing Financial Instructions are constantly kept under review.

### **Register of Interests**

Registers of Interests for Board members and staff are in place and updated annually and where relevant, throughout the year. The Register of Interests for Board Members is publicly available on the Trust website.

### **Self-Assessment**

In line with good governance best practice, the Trust Board completes the Board Governance Self-Assessment Tool on an annual basis. The completed tool in respect of the 2022-23 financial year was approved by Trust Board in September 2023 and provided assurance in relation to various leading indicators of Board governance. As part of this process, one action was identified in relation to the recruitment exercise for Non-Executive Director vacancies led by the Public Appointments Unit. This has been completed with the appointment of three new Non-Executive Directors.

### **Governance Framework**

The Trust's governance framework sets out the arrangements for how the organisation is directed and controlled (incorporating behaviours, values, systems and processes)



and how its responsibilities are discharged. It enables the setting of corporate objectives, the efficient deployment of resources towards the delivery of these priorities and monitoring of organisational performance. This governance framework is designed to manage risk to a reasonable level as determined by risk appetites, rather than eliminate all risk, to achieve policies, aims and objectives. Therefore, it can only provide reasonable, not absolute, assurance of effectiveness.

As part of the implementation of the new corporate governance structure within the Trust, the Committee structure was revised during 2023-24. The revised composition of Committee Membership, Chairs and attendees was approved by Trust Board in September 2023.

Committee structures are in place to reflect an integrated approach and to support the Trust Board. The following describes in more detail the role of the Trust Board, its Committee structure and attendance during the reporting period.

## **The Trust Board**

The Trust Board currently comprises a Non-Executive Chair, Seven Non-Executive Directors, a Chief Executive and four Executive Directors. Seven members of the Senior Leadership Team also attend Trust Board meetings.

The Trust Board is the corporate decision-making body. It has corporate responsibility for ensuring that the organisation fulfils the aims and objectives set by the Department/Minister and for promoting the efficient, economic and effective use of staff and other resources. It has a key role in overseeing sound financial management and corporate governance of the Trust.

The Trust Board can provide assurance that the Board has complied with its Section 75 equality and good relations duties by ensuring any policies developed or renewed are subject to consideration of the groups that may be impacted. In line with the Corporate Governance Code in the key areas of leadership, a Trust vision and strategy is currently being developed. This will come into effect during the 2024-25 year.

In the 2023-24 year, the Trust Board continued to meet regularly in public, both virtually and face to face. Five formal Board meetings were held.

During the reporting period, there were changes with regard to the Executive (Voting) and (Non-Voting) Director membership of the Board (see Directors' report on pages 57-63). The table below also reflects these changes as well as members' attendance. Board membership was stabilised during 2023-24 with the appointment of 3 new Non-Executive Directors and the tenure of one existing Non-Executive Director extended for a further one-year period. During the year, the Executive Director of Social Work / Director of Children & Young People's Services position was permanently recruited to. During 2023-24, nine Board workshops were held on key strategic and development issues.

Name of Board Member	Attendance
<b>Non-Executive</b>	
Ms E Mullan, Chair	5/5
Ms G Donaghy	4/5
Mrs P Leeson	4/5
Mrs H McCartan	4/5
Mr M McDonald	5/5
Mr J Wilkinson	5/5
Mrs L Ensor	1/1
<b>Executive Director (Voting)</b>	
Dr M O'Kane, Chief Executive	5/5
Dr S Austin, Medical Director	5/5
Mr C McCafferty, Director of Children and Young People's Services / Executive Director of Social Work	3/5
Ms C Teggart, Director of Finance, Procurement and Estates	5/5
Mrs H Trouton, Director of Nursing, Midwifery, AHPs and Functional Support Services and Deputy Chief Executive	4/5
<b>Director (Non-Voting)</b>	
Mr B Beattie, Director Adult Community Services	5/5
Mrs L Leeman, Interim Director of Performance and Reform (until 31 August 2023)	1/2
Ms J McGall, Director of Mental Health and Disability Services	5/5
Mrs C Reid, Director of Surgery and Clinical Services	4/5
Mrs T Reid, Director of Medicine and Unscheduled Care	5/5
Mrs V Toal, Director of Human Resources and Organisational Development	4/5
Ms E Wilson, Director of Planning, Performance and Informatics (from 19 June 2023)	3/4
Mrs M O'Hagan, Programme Director for Transformation and Improvement (from 12 February 2024)	0/0

*The Changes in Director appointments during the year are fully described in the Directors' Report on pages 57 to 63.*

## The Board Committee structure

As part of the Trust's Governance arrangements a review of the Trust Board Committees was undertaken during 2023-24 resulting in a total of 7 new and revised Committees. All Trust Board Committees are chaired by a Non-Executive Director and operate under clear terms of reference and lines of reporting and accountability which are reviewed and agreed by the Trust Board on an annual basis. These Committees review, scrutinise and challenge the information they receive in order to assure the Board that Trust processes are delivering outcomes to the required standards. Minutes of the Committees are presented at Trust Board meetings in a timely manner and each Committee Chair presents a report to Trust Board to provide feedback on the work of their respective Committee and raise any issues of concern.

The functions of each Committee are outlined below.

## Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee (formerly known as the Audit Committee) supports the Trust Board and my role as Accounting Officer with regard to our

responsibilities for issues of risk, internal control and governance and provides associated assurance through a process of constructive challenge. The Committee operates in accordance with the Audit Risk and Assurance Committee Handbook (NI) 2018. The Committee comprises three Non-Executive Directors (including the Committee Chair) who are independent of Trust management. The Accounting Officer is in attendance as well as the Executive Director of Finance.

In carrying out its work, the Committee used the findings of Internal Audit, External Audit, assurance functions, financial reporting and Value for Money activities. It approved the External Audit Strategy, the Internal Audit programme of work and reviewed progress on implementing internal and external audit recommendations. It considered reports from Internal Audit at each meeting and overall accepted the findings and recommendations of Internal Audit in its reports for 2023-24. Fraud is a standing item on the Committee's agenda and there is on-going reporting to the Committee in respect of compliance with relevant Departmental directions/circulars.

The Chair of the Audit and Risk Assurance Committee provides the Board with an Annual Report on the work of the Committee. The Audit and Risk Assurance Committee completed the National Audit Office Audit and Risk Assurance Committee Effectiveness Tool for the 2022-23 year in June 2023 and the results demonstrated that the Committee is operating effectively and complying with Audit and Risk Assurance Committee best practice. There were no issues raised. The committee sat 5 times during the year.

### **Governance Committee**

The role of the Governance Committee is to provide assurance to the Board on all aspects of the governance agenda across the Trust (except internal financial control). The Committee currently comprises 3 Non-Executive Directors (including the Committee Chair) who are independent of Trust management and 5 Executive Directors.

The Committee has an active role in providing assurance to the Board on the management of risk across the Trust. Members scrutinised and approved the Corporate Risk Register at each of its meetings.

The Chair of the Governance Committee provides the Board with an Annual Report on the work of the Committee. This includes an evaluation of the performance of the Committee during the year and there were no issues raised. The committee sat 4 times during the year.

The role of this committee was further strengthened during 2023-24 by the new and improved structures and processes for corporate and clinical and social care governance which has resulted in a more streamlined and focused agenda.

## **Charitable Trust Funds Committee**

The Charitable Trust Funds Committee (formerly known as the Endowments and Gifts Committee) is responsible for providing assurance to the Board on all aspects of the stewardship and management of funds donated or bequeathed to the Trust.

The membership of the Charitable Trust Funds Committee comprises three Non-Executive Directors (including the Committee Chair), and the Executive Director of Finance.

At each meeting, the Committee monitored the use and rationalisation of funds and sought assurance that funds were not unduly or unnecessarily accumulated. The Committee continued to actively promote the use of Trust Funds and reviewed expenditure plans by Fund managers.

The Chair of the Charitable Trust Funds Committee provides the Board with an Annual Report on the work of the Committee. This includes an evaluation of the performance of the Committee during the year and there were no issues raised. The Committee sat 4 times during the year.

## **Patient and Client Experience Committee**

The Patient and Client Experience Committee provides assurance to the Trust Board that the Trust's services, systems and processes provide effective measures of patient, service user and carer experience and involvement. The Committee provides corporate oversight to matters relating to Personal and Public Involvement (PPI) and the patient and client experience and ensures strong linkages between PPI, patient and client experience, Quality Improvement and Compliments and Complaints with a view to identifying opportunities to deliver on-going improvements.

Membership comprises 3 Non-Executive Directors (including the Committee Chair) and includes 3 members of the PPI Panel among those invited to attend as members.

The Committee continues to oversee the implementation of an Action Plan in respect of the 'Working Together' Strategy to ensure the achievement of collaborative direction for experience, involvement and improvement.

The Chair of the Patient and Client Experience Committee provides the Board with an Annual Report on the work of the Committee. This includes an evaluation of the performance of the Committee during the year and there were no issues raised. The Committee sat 4 times during the year.

## **Finance, Performance and Workforce Committee**

During the year, the remit of the Performance Committee was expanded to include Finance and Workforce. This Committee is responsible for overseeing the delivery of planned results by monitoring performance against objectives and the achievement of

financial targets (break-even) and oversight of financial plans through the provision of accurate and timely financial analysis, effective budget management and leadership. The Committee ensures that corrective actions are taken when necessary within agreed timelines.

This Committee will agree a work-plan for specific Financial, Performance and Workforce Analysis upon which reports will be submitted to Committee during 2024-25 for consideration.

The membership of the Committee currently comprises 3 Non-Executive Directors (including the Committee Chair) and 4 Executive Directors.

### **Strategy and Transformation Committee**

The newly established Strategy and Transformation Committee held its first meeting on 1 February 2024. The role of this Committee is to assist the Board in exercising its key function of setting the strategic direction of the Trust within the overall policies and priorities of the Government and the HSC, defining its annual and longer term objectives and agreeing plans to achieve them.

The Committee provides assurance and identifies any issues to the Trust Board in relation to the delivery of the Trust's strategy and transformation agenda.

The membership of the Committee currently comprises 3 Non-Executive Directors (including the Committee Chair) and 4 Executive Directors.

### **Remuneration and Terms of Service Committee**

The Remuneration and Terms of Service Committee advises and makes recommendations to the Trust Board on all aspects of remuneration and terms of service for the Chief Executive, Executive Directors and all other Directors who operate at Board level within the Trust. The Committee sat 3 times during the year.

Details of the work of this committee are described within the Remuneration Report at pages 105 to 111.

## **3. Business Planning and Risk Management**

As Accounting Officer, I ensure that the Trust manages risk at all levels in the organisation. Business planning and risk management is at the heart of governance arrangements to ensure that statutory obligations and ministerial priorities are properly reflected in the management of business at all levels within the organisation.

## Business Planning

The following section provides an overview of the Trust's Business Planning process and considers how objectives are identified, managed and reviewed.

The Corporate Plan provides a wider view of the Trust's strategic objectives and priorities are set corporately. Each Directorate aligns their agreed actions to the corporate plan and linkages between plans at Corporate and Directorate level are clearly stated, with a clear understanding and connection at Directorate, Team and individual level.

The Trust secured DoH agreement to agreement to roll forward a further one year Corporate Plan for 2023-24. This one year plan will provide further bridging whilst we start to engage with our staff, service users, statutory partners and other stakeholders and wider community on the development of our strategic outlook to underpin our new Vision Strategy 2030.

The intention will be to align our next longer term plan with the Executive's mandate, including new agreed outcomes for our population that will be further developed as we move forward into more integrated care systems. Service Delivery Plans 2023-24 were established to which the Trust has responded. It is the responsibility of Directors and their teams to be aware of the targets relevant to their area, Ministerial and statutory, to ensure that issues which may impact upon their delivery are highlighted at Divisional and Directorate Team meetings or staff supervision throughout the year in line with the Trust's performance management framework. Details of performance for 2023-24 are in the Performance Analysis from page 10.

The Trust's performance management framework defines arrangements for monitoring and review of performance at operational and corporate level.

The Senior Leadership Team and Finance, Performance & Workforce Committee monitor progress against achievement of targets and objectives.

## Risk Management

Risk management is an organisation-wide responsibility. Governance structures highlight that responsibility for the management of risk which lies within operational directorates and their corresponding governance arrangements, with the corporate overview role being provided by the Medical Director, as the Executive Director with delegated responsibility for risk management. The Trust has an Interim Risk Management Strategy.

Risk Registers are maintained at Divisional, Directorate and Corporate levels to record all forms of risk including clinical, operational and financial risks. There are currently 7 key risk domains on the Corporate Risk Register. As at 31 March 2024, there are 35 identified risks, of which 5 are assessed as Extreme, 21 High, 8 Medium



and 1 Low. The Corporate Risk Register is reviewed each month by the Trust Directors at the Senior Leadership Team risk and Assurance meeting. The updated register is provided to two Trust Committees namely the Audit and Risk Assurance Committee and the Governance Committee. Exposure to risks will be kept to a level deemed acceptable by the Trust Board. The Trust will not accept risks that materially impact on patient safety. The Trust has a greater appetite to take considered risks in terms of their impact on organisational issues.

The Interim 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 Interim Risk Management Strategy also sets out the risk appetite of the organisation which is expressed by a series of boundaries, authorised by the Executive Team, giving clear guidance on the limits of risk and at what level in the organisation these can be managed. Delegated limits are defined for acceptance of risk, dependent up on the level of risk, i.e., Low, Medium, High or Extreme.

The Trust Board held a workshop during the year on risk appetite. A Risk Appetite Statement was agreed at the Board Review Day in November 2023 and formally approved by Trust Board in January 2024.

Handling and managing risk is a combined 'top down' and 'bottom up' approach. The Corporate Risk Register works 'bottom up' and the Senior Leadership Team act as the filter for risk issues from Directorate Risk Registers for entry of the most significant risks onto the Corporate Risk Register.

All staff are responsible for managing risks within the scope of their role and responsibilities as employees of the Trust. To support staff through the risk management process, specialist guidance and support has been available along with access to policies and procedures.

There is a structured process in place for incident reporting, analysis and the investigation of serious incidents. The Trust continues to strengthen risk management, including adverse incident reporting and investigation, complaints handling and learning from events which do not go as planned, together with recognising and learning from excellence and audit.

#### **4. Information Risk**

Safeguarding the information held by the Trust, is a critical aspect of supporting the Trust in the delivery of its objectives. Effective management of information risk is a key aspect of this.

A Trust Information Governance Framework is in place to manage risk and provide assurance. Trust Personal Data Guardians (Medical Director, Executive Director of Social Work and the Director of Human Resources and Organisational Development

as the Personal Data Guardian for Staff Information) to approve data sharing, and a Senior Information Risk Owner (SIRO) (Director of Performance & Informatics) with overall responsibility for managing information risk across the Trust are in place. Designated Information Asset Owners (IAOs) are in place across the Trust to reduce the risk to personal information and provide an annual review of risk and assurance.

An Information Governance Committee is in place, reporting via the Trust's Digital Governance Steering Group to the Trust's Organisational Governance Steering Group and Governance Committee. A regular programme of review by Internal Audit is in place with the last report in August 2023 providing a Limited Assurance level. All recommendations outlined within the Internal Audit report were actioned and implemented.

Trust reporting includes:

- Report on use of personal data forwarded to SIRO and Governance Committee annually;
- Compliance reporting to Governance Committee including Freedom of Information, Subject Access Reports, Complaints to the Information Commissioners Office, Information governance incidents and any Information breaches. In 2023-24 the Trust reported 8 data breaches to the Information Commissioner's Office (ICO); and
- Annual review of risks and assurance from IAOs. In 2023, IAOs identified and documented 292 risks associated with personal/personal sensitive information, there were no high risks identified. The Information Governance Team work with IAOs to recognise and control hazards, and support mitigation of the impact of risks and increase awareness among staff.

An information sharing register is in place which records the details of all episodes of sharing of Trust data with other bodies; Data Protection Impact Assessments are carried out which include the identification of risks associated with a project or new data processing activities. The Trust continues to implement measures to comply with the UK General Data Protection Regulations (GDPR) and the Data Protection Act 2018.

The IG team support staff in understanding and management of risk and provide support and advice. As at 31 March 2023, 87% of Trust staff were trained in Information Governance.

The Trust is committed to ensuring the security of information held in electronic form is in accordance with its ICT Security Policy. The Trust is aware of the heightened international risk of Cyber Security. The Corporate Risk Register includes a high level Cyber Security risk which was added to the register in 2017-18. Further detail on this is included on page 100.

## 5. Fraud

The Trust takes a zero tolerance approach to fraud in order to protect and support key public services. We have put in place an Anti-Fraud & Anti-Bribery 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, whether originating internally or externally to the organisation. The Trust's Fraud Liaison Officer promotes fraud awareness, coordinates investigations in conjunction with the BSO Counter Fraud and Probity Services team and provides advice to personnel on fraud prevention, detection and reporting arrangements. Awareness training is delivered, targeted at staff with line management and delegated financial authority responsibilities, in support of the Anti-Fraud & Anti-Bribery Policy and Response Plan, which are kept under review and updated as appropriate or every 3 years.

In 2023-24, there were 21 cases of suspected fraud reported by the Trust. All identified actual, suspected and potential frauds are reported to the Audit and Risk Assurance Committee as a standing agenda item. 16 (76%) of the 2023-24 reported cases involve staff pay and allowances claims. There have been a further 3 cases identified during 2023-24 of agency workers submitting potentially fraudulent timesheets for payment by the Trust, these are under investigation by Counter Fraud and are referred to the PSNI when the evidence has been collated.

The Trust continues to apply the Regional HSC Framework on 'Your Right to Raise a Concern – Whistleblowing' along with the accompanying Trust Policy and Procedure. Our 'See something, Say something' campaign demonstrates our commitment to developing a culture where staff feel able and empowered to raise concerns.

## 6. Public Stakeholder

The Trust recognises that the involvement of service users, carers and other stakeholders in the identification and management of risk is fundamental to its Personal and Public Involvement (PPI), Patient Client Experience (PCE) and Quality Improvement strategic agenda and operational plans.

The Trust remains committed to ensuring that the statutory duty for Personal and Public Involvement (PPI) is embedded into all aspects of its business. A Non-Executive Director chairs the Patient and Client Experience Committee, a sub-committee of Trust Board.

The Director of Adult Community Services is the lead Director for PPI and has responsibility for the development of the Trust's PPI corporate action plan and application of practice across the Trust.

Over the past year, the PPI Staff Team focused on a number of areas in partnership with service user and carer representatives to support further development in

embedding the practice of PPI throughout the Trust. This works to strengthen the partnership approach to health care provision. These areas have included increased training delivery on involvement to colleagues, service users, carers and other stakeholders with a focus on 'harder to reach' groups and community and voluntary sector organisations. There have been further expansions in connecting with service users and carers to engage in PPI through development of a 'Community of Involvement', co-produced promotional resources and ongoing work within the Care Experience Hubs. There has also been a focus on supporting colleagues to report on any involvement work to provide additional assurance through the PHA/DoH monitoring process.

### **Public & Personal Involvement (PPI) Panel**

Service users and carers have worked with the PPI Involvement Team on a large range of activities in 2023-24 including

- Urology Lookback review;
- Cervical Smear Review Communications and Management subgroup;
- Care Experience Hubs within 5 operational Directorates;
- Review of communications for specific teams/services;
- Participation on judging panel for Our Peoples Awards;
- Development of framework for new Medical Revalidation Board;
- Regional Health & Social Care PPI Involvement Forum;
- Presentation to 'Getting Better Together' project members;
- Development of PPI Corporate Action Plan for 2023-25; and
- Workshops on community engagement for SHSCT funded contracts.

The PPI Involvement Team are available for all colleagues and service users and carers to provide support with any area of involvement and can be contacted at [user.involvement@southerntrust.hscni.net](mailto:user.involvement@southerntrust.hscni.net)

### **Combined PPI, Patient Service User Experience, Quality Improvement and Corporate Governance strategy**

In line with the Service Delivery Plans the Trust has developed a 'Working Together' Strategy and Action Plan through an extended process of engagement and co-production with service users and carers.

This strategy has adopted an innovative approach by setting out an integrated plan for improvement, bringing together the disciplines of Personal and Public Involvement and Co-production, Patient and Service User Experience, Quality Improvement and Safety.

Under this Working Together strategy and supporting Action Plan, our PPI governance and monitoring arrangements are being further enhanced, with direct reporting

mechanisms into the Patient and Client Experience Committee and to Trust Board. The Care Experience Hubs for each of the 5 operational Directorates with are functioning well with representation from service users and carers. The Hubs embed learning from feedback from a variety of sources including governance, patient and service user experience and direct feedback from service user and carer representatives into service improvement and change opportunities.

## **7. Assurance**

The Board Assurance Framework is a statutory requirement for the Trust and is an integral part of the Trust's governance arrangements. It describes the relationship between corporate objectives, identified potential risks to their achievement and the key controls through which these risks will be managed, as well as the sources of assurance surrounding the effectiveness of these controls.

The Board Assurance Framework sits alongside the Corporate Risk Register and performance reporting to provide structured assurance about how risks are effectively managed to deliver agreed objectives. Where risks are outside the Trust's ability to solely manage, these are escalated to the Trust Board and beyond. The in-year work on the Corporate Risk Register, together with the review of the corporate and clinical and social care governance structures will inform the next version of the Board Assurance Framework due to be presented to Trust Board in 2024.

An Internal Audit of the Operation of the Assurance Framework in 2023-24 provided satisfactory assurance. The Audit focused on the operation of three new Governance Steering Groups and reporting to the Risk and Assurance Group and the Trust Governance Committee.

## **8. Sources of Independent Assurance**

The Trust obtains Independent Assurance from the following sources:

- Internal Audit;
- Northern Ireland Audit Office (NIAO);
- Regulation and Quality Improvement Authority (RQIA);
- Benchmarking;
- Medicines and Healthcare Products Regulatory Agency (MHRA);
- Human Tissue Authority (HTA);and
- General Medical Council (GMC), General Dental Council (GDC), NI Medical and Dental Training Agency (NIMDTA) and various Royal Colleges.

## Internal Audit

The 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.

In 2023-24 Internal Audit reviewed the following systems:

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE
<b>Corporate Risk Audits:</b>	
Laboratory Services Governance and Management	Limited
Management of Endoscopy Waiting Lists	Limited
Management of MDT Cancer pathways	Satisfactory
Application of Integrated Elective Access Protocol (IEAP) guidance in Community Paediatric Teams and Children's AHP Services	Satisfactory
Adult Safeguarding	Satisfactory
Information Governance	Limited
Infection Prevention and Control	Satisfactory
Health and Safety	Limited
ICT Incident Management arrangements (IT Audit)	Limited
<b>Governance Audits:</b>	
Business Continuity arrangements within the Trust (including in the event of a cyber-attack)	Limited
Operation of Assurance Framework (specifically in respect of the new steering groups reporting to the Risk and Assurance Group and the Governance Committee)	Satisfactory
Management of Lessons Learned	Limited
Management of Violence & Aggression Incidents	Satisfactory
Fire Safety	Satisfactory
<b>Finance Audits:</b>	
Debt Management	Satisfactory
Asset Management (in respect of RAMS)	Satisfactory
Budgetary Control & Financial Stability	Limited
Payments to Medical Staff & Management of Job Planning	Limited



AUDIT ASSIGNMENT	LEVEL OF ASSURANCE
Governance & Management of Use of Agency and Bank staff	Limited
Non-Pay Expenditure (including Management of Revenue Business Cases)	Satisfactory: Non-Pay controls within the Adult Community Services Directorate and retained Finance Limited: Management of Revenue Business Cases
Management of Contracts with Independent Nursing and Residential Homes	Limited
Client Monies in Independent Sector Nursing Homes (including Adult Supported Living facilities)	Satisfactory: Management of Client Monies in 8 of 9 Homes visited Limited: Trust monitoring arrangements for residents' finances and Management of Client Monies in 1 of 9 Homes visited

### Consultancy/Non Assurance Assignments

One additional assignment was undertaken during the year to review the Trust's Monitoring of Domiciliary Care Independent Sector Providers

This assignment made a number of recommendations to develop the approach, reporting and follow up action in respect of monitoring visits.

### Follow Up Work

At year end, Internal Audit followed up in respect of the implementation of previous Priority One and Two Internal Audit recommendations agreed in Internal Audit reports. 96% of these recommendations were fully or partially implemented at the year-end. Of the 4% of recommendations not implemented, there was one priority one recommendation relating to staff terms and conditions.

In addition, there are 7 outstanding regional IT recommendations dating from 2018-19, that are the responsibility of Digital Health and Care Northern Ireland (DHCNI) in the Department of Health to implement. While input from the DOH is required to implement the recommendations, the risk to Cyber Security which the recommendations seek to address remains with the HSC.

The Trust continues to closely and regularly monitor the status of outstanding internal audit recommendations by the Trust Internal Audit Forum and the Audit and Risk Assurance Committee.

## Shared Services Audits

As the Trust is a customer of BSO Shared Services, the following audit reports have been shared with the Trust for information. The recommendations in these reports are the responsibility of BSO Governance and Audit Committee to take forward.

Shared Service Audit	Assurance
Payroll Shared Service	<b>Satisfactory: Elementary PSC processes</b>  <b>Limited:</b> Staffing stability, Impact of <b>change requests on Month 10 &amp; Month 11 Payroll</b> , SAP / HMRC Real Time Information (RTI) Reconciliation, Overpayments Backlog, and closedown checks and variance monitoring.
Accounts Payable Shared Service	Satisfactory
Accounts Receivable Shared Service	Satisfactory
Recruitment & Selection Shared Service	Limited

The BSO Payroll Shared Services Centre (PSSC) continues to receive part Satisfactory and part Limited assurance in 2023-24.

Limited assurance is provided in respect of Staffing Stability, Impact of Change Requests on Month 10 & Month 11 Payroll, SAP / HMRC RTI Reconciliation, Overpayment Backlog and Closedown Checks and Variance Monitoring. Limited assurance is provided on the basis that there was an unforeseen significant system fallout in January 2024 due to the implementation of three change requests (CRs) with the necessity to implement emergency payment mechanisms, and again in February 2024 when a number of staff payments did not proceed via normal processing. The CRs also created a number of overpayments and underpayments. We note the BSO Executive Leadership Team have commissioned a Root Cause Analysis of these issues. Work to reconcile SAP / HMRC data is still ongoing. Closedown checks and variance monitoring processes also require management attention.

The Trust will also continue to monitor progress at Audit and Risk Assurance Committee.

The Recruitment Shared Service Centre (RSSC) also received limited assurance which reflects a similar position to the 2022-23 audit report. Limited assurance is provided on the basis that the operating challenges that were evident in last year's Internal Audit in RSSC and the wider HSC in terms of recruitment processes largely remain. These include: The HRPTS eRecruit system functionality is not sufficient to meet the needs of RSSC or their customers without the multiple additional processes, controls and workarounds that are in place to facilitate the recruitment process. In some cases, this means the same information is recorded in multiple systems/places, duplicating effort and increasing the risk of errors. These additional systems were introduced with a view to mitigate to the risk of the functionality available from the HRPTS system. These system deficiencies also hinder RSSC's ability to efficiently

manage and monitor recruitments and to respond to some customer queries. It is recognised that without the additional systems, the RSSC had previously only a paper-based mechanism to manage and monitor recruitments which will likely have a higher risk of error. In addition, in this year's audit significant issues have also been identified with regard to management of waiting lists and the accuracy of pre-employment check processes.

### Overall Opinion for 2023-24

In her Annual Report, the Head of Internal Audit provides **Limited** assurance on the adequacy and effectiveness of the organisation's framework of governance, risk management and control. Limited assurance was provided for the following reasons:

- Limited assurance has been provided in a considerable proportion of audits in 2023-24, including in a number of key areas such as Budgetary Control; Business Continuity Planning; IT Incident Management; Management of Endoscopy Waiting Lists; Management of Job Planning; Management of Contracts with the Independent Nursing and Residential Homes; and Laboratory Service Governance and Management.
- Mainly arising from a considerable proportion of Limited assurance audits in 2022-23 and other earlier Limited/Unacceptable assurance audit reports, there are 50 open outstanding significant audit recommendations at year end. This means sufficient action has not been taken to fully address the reasons for some of the previous audits with Limited/Unacceptable assurance.

Details of the significant issues identified within the limited 2023-24 assurance reports provided to the Trust are noted below. Management have agreed appropriate timescales for all of these issues to be addressed going forward.

**Payments to Medical Staff & Management of Job Planning:** Limited assurance has been provided on the basis that 58% of Consultant / Speciality doctors and specialist grade (SAS) Doctor job plans across the Trust have not been updated for the 2023-24 financial year. There is no reporting on the status of completed job plans within the Trust's governance framework. 30% of sampled Consultants / SAS Doctors had errors in their pay due to late sign off of job plans, errors with Additional Programmed Activities (APA) allowance or on-call frequency.

**Management of Client Monies in Independent Sector:** Satisfactory assurance was provided in relation to the Management of Client Monies in eight of the nine Independent Sector facilities visited. Limited assurance has been provided in relation to the Trusts monitoring arrangements for residents' finances which does not consistently occur as required by circular HSC(F) 15-2016 Safeguarding of Service Users' Finances within Residential and Nursing Homes and Supported Living Settings.

In addition, there are significant issues with the Management of Client Monies in one of the nine Independent Sector facilities visited (Knockeden).

**Non Pay Expenditure (in Adult Community Services Directorate):** Limited assurance is provided in relation to the Management of Revenue Business Cases on the basis that controls over Management of Revenue Business Cases need strengthened and clarified. Currently business cases are not completed for expenditure decisions funded through existing Trust funds – this position needs clarified with DoH in the context of the new updated 2023 DoH circular guidance. A review of 10 Revenue Business Cases identified delays in the preparation of business cases for non-recurrent funding and the completion of Post Project Evaluations.

**Management of Independent Residential and Nursing Home Contracts:** Limited assurance is provided in relation to the Management of Contracts with Independent Nursing and Residential Homes on the basis that the current regional contract is outdated, requires significant review and strengthening and is not fully reflective of services being provided by Homes. While a regional project is being taken forward to review the contract, an updated contract is not likely to be in place before 2025.

**Budgetary Control and Financial Stability:** Limited assurance is provided in relation to Budgetary Control and Financial Stability on the basis of the significant findings identified in respect of budget management in the Trust, delivery of savings across the Trust and the need for training for budget holders. Whilst limited assurance has been provided, Internal Audit acknowledge that during 2023-24 Financial Management actively engaged with Directorate Senior Management Teams through the monthly Directorate Finance and Performance meetings and monthly finance reports.

**Governance & Management of Use of Nursing Agency & Bank Staff:** Limited assurance is provided in relation to the Governance & Management of the Use of Nursing Agency and Bank Staff on the basis that despite a range of measures and investments to stabilise flexible staffing spend, the number of flexible nursing hours being utilised continues to increase. The report acknowledged that there was no off-contract agency spend since the new regional Nursing, Midwives and Nursing Assistants Framework was fully implemented.

**Management of Endoscopy Waiting Lists:** Limited assurance is provided in relation to the Management of Endoscopy Waiting Lists on the basis that, whilst work has been done to improve processes, 4 of the 5 Serious Adverse Incident recommendations which were due to be implemented remain at least partially outstanding.

**Information Governance:** Limited assurance is provided in relation to Information Governance within the Trust on the basis that the casenote tracking system was not being updated in a timely manner. In addition, issues were noted in relation to training for Information Asset owners and data access registers, which require to be addressed. Whilst providing limited assurance Internal Audit did note that there was a

comprehensive Information Governance framework in place, with appropriate corporate oversight.

**IT Audit – Incident Management:** Limited assurance is provided in relation to ICT Incident Management arrangements on the basis that essential functions have not been formally agreed. Limited assurance is provided due to the combination of a number of factors including the need for organisational governance and accountability for incident management to be improved, a requirement to develop, exercise and test digital services incident management processes, processes for learning lessons to be put in place and a review of the Trust's out-of-hours senior Digital Services staff cover is also required.

**Health & Safety:** Limited assurance is provided in relation to the Management of Health and Safety on the basis that the Trust does not have assurance that Health and Safety risk assessments are in place for all service areas. Whilst a new audit and assurance process has been developed, this is still at an early implementation stage. Once this new process is fully embedded and functioning effectively, it should address the significant issue. Internal Audit acknowledges the work done by the Health and Safety Department to strengthen its processes including an updated Health and Safety Policy which clearly defines roles and responsibilities for the management of Health and Safety within the Trust.

**Management of Lessons Learned in the Trust (including management of Clinical Audit):** Limited assurance is provided in relation to Lessons Learned within the Trust on the basis that the Trust have no formal process to follow up on the implementation of SAI or RQIA recommendations. Whilst it is acknowledged that actions have been taken there remains significant work within the operational directorates to obtain assurance that all recommendations are being implemented. Significant work has been undertaken within the clinical audit function with the development of a Clinical Audit Strategy, Directorate Audit Plans, the establishment of a Clinical Audit Reference Group which provides an annual report to Governance Committee on the status of audits being performed.

**Business Continuity:** Limited assurance is provided in relation to business continuity arrangements within the Trust (including in the event of a cyber-attack) on the basis that there is a lack of corporate assurance that all critical, urgent and important business service areas have a business continuity plan in place and that potential for cyber incidents have been appropriately reflected in plans. Plans are not consistently quality assured to ensure they have been robustly developed, exercised and tested.

**Laboratory Services:** Limited assurance is provided in relation to Laboratory Services Governance & Management on the basis that Laboratory Services are not adequately integrated into the Directorate/Corporate governance framework. Blood test turnaround targets need enhanced to cover the full journey, 'from vein to brain'. Management of incidents within the Labs also need to be further reviewed.

## **Northern Ireland Audit Office (External auditor)**

NIAO provides assurance to the NI Assembly as the statutory external auditor to the Trust. The external auditor undertakes an independent examination of the annual financial statements in accordance with auditing standards issued by the Auditing Practices Board.

In addition, the external auditor will provide a Report to Those Charged with Governance which brings to the attention of the Accounting Officer, audit findings and any control weaknesses identified during the course of the external audit. The external auditor reports all of these findings to the Audit Committee. In the course of the external audit for 2023-24, the external auditor has brought to the attention of management no Priority One issues.

If the Northern Ireland Audit Office conducts a Health Sector Value for Money study this is presented to the Audit Committee, but there were none presented in 2023-24.

## **Regulation and Quality Improvement Authority (RQIA)**

The RQIA provides independent assurance by conducting a rolling programme of planned clinical and social care governance and thematic reviews across a range of services provided by the Trust or those commissioned from third party providers.

The Trust has a system to track and monitor RQIA thematic reviews and inspections on Trust owned services and facilities. This system also tracks all related responses. Directors are responsible for progressing actions to ensure recommendations within their remit are achieved within their Directorates.

With regard to Independent Sector Care Home provision, the Trust has established quarterly RQIA and Trust interface meetings which is an opportunity to review and discuss, inspection reports and serious concerns raised by both RQIA and senior Trust representatives to ensure the appropriate supports are in place. In addition, the Trust has now established a similar interface forum for Independent Domiciliary Care Providers.

## **Benchmarking**

The Trust continues to participate in external benchmarking of hospital based data against a UK peer group of like hospitals. Peer analysis reports are presented to both Governance and Finance, Performance and Workforce Committees.

The Trust has also expanded its external benchmarking outside hospital services via the NHS Benchmarking Network, the in-house benchmarking service of the NHS. The Network undertakes a series of Benchmarking Projects each year, covering a range of service areas. During 2023-24, the Trust participated in "Pharmacy and Outpatients" benchmarking projects.



Some of the key findings against regional peers are:

### **Pharmacy**

- The medicines cost per 100 beds is less in SHSCT (£5m) than mean participants (£6m).
- Fewer total pharmacy staff in post per 100 beds when compared to peers.
- Pharmacists in post spend less time than peers on clinical activities. Pharmacists in post spend more time managing medicines shortages per week than their peers.
- The benefit of participation in this program will be realised as part of a transformation case for pharmacy staffing, by comparing our service with peers.

### **Outpatients**

- SHSCT are focused on outpatient modernisation, submitting to a range of workstreams within this project.
- One modernisation priority is to increase the use of virtual appointments. This is a priority across the HSC and NHS.
- Whilst comparable face-to-face appointment activity was observed for most services, key areas for improvement have been identified and will be taken through the Outpatient Modernisation Project.
- The Trust will utilise this data to help support modernisation work in outpatients.

The NHS Benchmarking Network produce bespoke reports outlining our performance.

### **Medicines and Healthcare Products Regulatory Agency (MHRA)**

MHRA inspects the Special Manufacturing License held by Craigavon Area Hospital Pharmacy Department. They operate a risk based inspection programme with the last inspection of the licence being held on 6 May 2021. On the basis of the inspection, and subsequent correspondence, the MHRA has confirmed that operations are in general compliance with the Guide to Good Manufacturing Practice as laid down in the Commission Directive 2003/94/EC.

### **UK Accreditation Service (UKAS)**

The UK Accreditation Service (UKAS) provides independent assessment of various Trust services against national standards. Trust services which are accredited include laboratory services (biochemistry, pathology, haematology and bank services).

### **Human Tissue Authority (HTA)**

The HTA is a regulatory body set up in 2005 following events that revealed a culture in hospitals of removing and retaining human organs and tissue without consent. The HTA regulates organisations that remove, store and use human tissue for various purposes. The HTA builds on the confidence people have in regulation by ensuring

that human tissue and organs are used safely and ethically, and with proper consent. The Trust complies with the requirements necessary to hold an HTA license.

## **9. 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 Trust's system of internal governance is informed by the work of the internal auditors, the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their 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 Senior Leadership Team, Trust Board, Head of Internal Audit, Audit and Risk Assurance Committee and Governance Committee. I have referred to the Annual Report from the Head of Internal Audit which details the assurance levels provided from reports in 2023-24 and also the Trust's implementation of accepted internal audit recommendations. A plan to address weaknesses and ensure continuous improvement to the system is in place. I also specifically reference assurance obtained from satisfactory Internal Audit report regarding the Trust Operational Assurance Framework.

## **10. Internal Governance Divergences**

### **Prior Year Issues – Closed**

#### **Nosocomial COVID-19 Level 3 Serious Adverse Incident**

Between 16 August and 6 October 2020, the Trust experienced nosocomial outbreaks of COVID-19 in three separate inpatient locations. The outbreaks affected 29 patients, with 15 of these patients sadly dying following the outbreak. A Level 3 Serious Adverse Incident review was conducted by an independent chairperson and panel. The Final report was shared with families in August 2022 and published publically at the September 2023 Trust Board meeting. Recommendations of the review report are being taken forward.

#### **Waiting List Initiative Payments**

The one outstanding audit recommendation from the audit of this area in 2018-19 regarding the update of job plans has now been closed with a re-audit of this area in 2023-24.

## Medical Staffing Issues at Daisy Hill Hospital

Recruiting and retaining medical staff remains a challenge for the Trust across a number of specialties and in particular within general medicine at DHH, as evidenced in destabilisation of services back in May 2023. Through the work of the DHH stabilisation Plan the Trust has implemented a number of mitigating measures to ensure the continued delivery of safe, quality services, including alternative models of care and pathways, including extending ambulatory care, enhancing acute care at home capacity and creating a new short stay unit aligned to the Emergency Department. In recognition of the continued reliance on medical locum staff in our hospitals the Trust has successfully recruited a number of doctors from India who have taken up post across both CAH and DHH sites. The intention is that these new doctors will support the Trust to reduce its reliance on locum cover and build substantive and permanent cover that will further stabilise our service provision. The Trust continues to operate a number of mitigating measures for our most vulnerable specialties including gastroenterology and stroke, whereby divert and bypass protocols are in place for our most complex patients to be cared for in CAH.

The work of the Expert Panel concluded in January 2024. A number of recommendations were presented to the Trust which have been accepted and work continues to progress to ensure their implementation.

- **EU Exit**

In the absence of any further changes to the NI Protocol, the statutory instrument titled the Human Medicines (Amendment) (Supply to Northern Ireland) Regulations 2021 remains in place. It established the Northern Ireland MHRA Authorised Route (NIMAR). NIMAR provides a route for the lawful supply of Prescription Only Medicines that are unlicensed in NI, where no licensed alternative is available. As there is a statutory instrument to cover supply, this issue has been closed.

- **Unscheduled Care (Surgery and Clinical Services)**

In February 2022, the Trust had to implement contingency arrangements for the Emergency General Surgery Service on the DHH site. This contingency arrangement meant that any patient requiring admission for an emergency general surgery treatment was transferred from DHH ED to CAH with direct admission to the Surgical Ward. In line with statutory obligations, the Trust undertook a Public Consultation exercise on the future of Emergency General Surgery Services with the consultation period ending on 21 April 2023. The outcome of the consultation, and the proposed way forward, was presented and agreed by Trust Board in September 2023. The Department of Health formally approved the permanent arrangement in January 2024, hence, the issue has been closed.

- **Consultant Psychiatry Medical Staffing Pressures**

This item now features under the Internal Control Divergences recorded for *Recruitment and Inpatient Dementia Services*

Following regional consideration of what constitutes an internal control divergence, the Trust carried out a review of those reported in 2022-23. The following areas are no longer deemed as an internal control divergence, however they remain as areas of concern/risks that are being managed through Regional and Local oversight:

- **Social Care Procurement** - In order to minimise the risk of non-compliance with the Public Contract Regulations 2015, all DoH ALBs continue to extend Centre of Procurement Excellence (CoPE) cover for social and health care services in the Light Touch Regime, provided by the Social Care Procurement Unit (SCPU) of BSO. Capacity is not available to meet all procurement priorities. As such, the management of contract awards, where there is no regional capacity to procure, is agreed with the SCPU on an individual case-by-case basis by the Trust. As procurement resources are limited, the approach to procurement and award of contracts will be reasonable and proportionate in relation to the value of a contract and the identified risk. The Regional Procurement Board has oversight and is developing a regional solution.
- **General Contract Management** - Compliance with best practice in contract management continues to be a priority for the Trust, outlined in the Sourcing Toolkit – Contract Management, previously known as PGN 01/12, and efforts to reach compliance continue. A number of contract 'hubs' are in place to support specific functions, including Estates, IT and social care contracts, capacity for contract management in operational and corporate Directorates remains challenging. The Contract Management Steering Group and Contract Managers Forum as part of the Trust's contract management governance structure continues to provide oversight and assurance on the robustness of operational management controls and enhance same. Future progress and management of this area will continue to be subject to availability of resources. The local and Regional Procurement Board has oversight over this risk.
- **Trust Estate Risks** -The age, condition and nature of the estate continues to pose potential risks that are exacerbated by limited capital investment in major renewal and replacement projects. The estimated investment required to address immediate backlog maintenance liabilities is approximately £135m. In 2023-24 the Trust carried out maintenance schemes to the value of £5.6m and completed capital projects costing £13.1m which made vital and necessary improvements to our Estate. The Governance Committee has oversight of this risk.

- Elective Care** - The Trust's ability to achieve elective access targets, including cancer pathways, is compromised and radical reform in the way elective care is delivered regionally, alongside sustained and substantial investment, will be required to return elective care waits to an acceptable standard. The Trust continues to participate in regional work to establish solutions in line with the regional reform actions established in the Minister's Elective Care Framework. The Trust's focus remains on prioritising the provision of safe services to red flag (confirmed and suspected cancer) and time sensitive conditions. The Trust continues to work with regional colleagues to ensure surgical capacity is targeted to those most in need via the Regional Prioritisation Oversight Group (RPOG) with similar considerations in place for diagnostics areas (imaging and scopes) to facilitate the allocation of additional capacity to those with the greatest demand.
- Trust Contribution to Home Truths Report from the Commissioner for Older People Northern Ireland (COPNI) on Dunmurry Manor Care Home** - In September 2022, the Department convened a new HSC Care Homes Working group, to oversee the implementation of both the fifty-nine COPNI Home Truths recommendations and the recommendations from the six CPEA reports which have now been released. The Department has since convened and an Adult Social Care Collaboration Forum, which includes Workstream 3 focussing on "Enhancing Care in Care Homes". The Trust has senior representation on that workstream. The Department of Health chairs and has oversight over this risk.
- Industrial Action** - There have been a number of Industrial Actions during 2023-24. This is a HSC wide action, consisting of both Action Short of Strike and Strike. On days of strike, services to patients and services used have been severely disrupted resulting in cancellation of surgery, outpatient appointments, closures of day centres, and limited cover for many of our services, including District Nursing and Domiciliary Care services. The industrial action remains ongoing into 2024-25 and is being managed through local and regional groups.
- Performance of BSO Payroll Shared Services Centre** – There continues to be a number of limited assurance internal audit report across BSO payroll shared services. This will continue to be monitored via a number of HSCNI regional fora.
- Carbon Reduction Targets** - Significant funding is required to continue to mitigate the high energy costs and move the Trust forward to meet carbon and its sustainability targets. The Trust has been successful in securing Invest to Save funding from DfI that will contribute to Carbon Reduction Targets. This risk continues to be monitored via a number of HSCNI regional fora.

## **Progress on Prior Year Issues which continue to be considered as control issues**

### **Clinical and Social Care Risks**

- **Unscheduled Care (Medicine and Unscheduled Care)**

The ongoing demand for unscheduled care remains extremely challenging, evidenced by the number of inpatients waiting in the Emergency Department (ED) beyond 12 hours and the ongoing poor performance against the 4 hour and 12 hour targets.

Ongoing bed pressures have impacted the ability to deliver consistent flow which is contributing to exit block in the Emergency Department. A dedicated work programme continues with multi-disciplinary teams in each area to implement the SAFER bundle. This is clinically led, manager supported and data driven, focusing on reducing lengths of stay by an average. However, in line with the anticipated growth in over 65s in the SHSCT area the Trust is seeing increasing numbers of elderly patients being admitted to hospital with multiple underlying conditions that can lead to an increased length of stay in hospital. Challenges with ensuring timely safe and effective discharge of patients when medically optimised, continues to contribute to increased waiting times in ED with ED and ward overcrowding.

While COVID-19 numbers have reduced, there is still some additional pressure associated with our response to COVID-19 outbreaks which has a direct impact on our bed capacity.

Medical ambulatory units are in place. There are plans to further enhance these services to include the full multidisciplinary team working and an ethos of Same Day Emergency Care (SDEC) is one of the many ways the NHS is working to provide the right care, in the right place, at the right time for patients. Under this care model, patients presenting at hospital with relevant conditions can be rapidly assessed, diagnosed and treated without being admitted to a ward and instead if clinically safe to do so, will go home the same day their care is provided.

Workforce issues continue to be a challenge across unscheduled care with a high reliance on Locum and Nursing Agency provision. As part of the workforce stabilisation project Medicine and Unscheduled Care (MUSC) Directorate have made significant improvement in recruiting nursing staff against vacancies.

Medical staffing remains an ongoing challenge, and the ability to attract and retain Consultant Physicians remains challenging, this is a recognised challenge locally and nationally. The impact of this remains challenging and has impacted in year on the ability to deliver safe general medical services over two acute hospital sites. Services such as Gastroenterology have been particularly impacted. There has been positive recruitment with the appointment of new Consultants within Medicine and Unscheduled Care through local and international recruitment. And as part of the



modernisation and efficiency work streams MUSC Directorate are reviewing current models of care.

- **Recruitment**

There has been continued progress in 2023-24 in terms of our ability to attract staffing across all disciplines to improve on the workforce deficits, however, staffing challenges remain across various job families.

The Trust's Resourcing Team continue to attend school, college and employer events to promote HSC as a career and Southern HSC Trust as an employer of choice.

During 2023-24 the Resourcing Team delivered on 2 key advertising projects to enhance the Trust's profile and reach out to a wide applicant pool. Our Southern Health & Social Care Trust jobs Facebook page was launched and utilisation of our hospital sites for advertising was achieved. We continue to monitor the effectiveness of both projects.

During 2023-24 the Resourcing Team also continued to support managers with bespoke campaigns to support areas where there are specific workforce challenges. This included recruitment plans to recruit domiciliary care workers, nursing support roles and social care support roles. A specific campaign was held focusing on social workers and successfully filled a number of vacancies in a very limited challenging market.

Work continued during 2023-24 to stabilise nurse staffing levels both within Acute and Non Acute settings and off contract agency usage was eliminated. The Trust continue to see a high level of flexible resources supplementing core rotas using Trust Nurse bank and agency flexible workforce. A new agency contract was awarded in April 2023, with a phased implementation during 2023-24.

The Trust also used a recruitment partner to assist in addressing challenges with ongoing vacancies in the medical workforce. Over 70 doctors have been recruited internationally and are currently phasing into the Trust into medical roles.

In addition, despite repeated recruitment campaigns, the Trust have seven out of eight community adult consultant psychiatry vacancies, with the one permanent consultant on maternity leave until mid-2024. There is variable locum cover. This is impacting on service delivery, with a risk assessed approach undertaken to maintain as many aspects of delivery as possible. Routine psychiatry reviews are currently suspended, with priority given to urgent psychiatry reviews; outpatient waiting lists are to be reviewed by other members of the multi-disciplinary team to establish risk/need; implementation of consultation approach for keyworkers in managing patients on community mental health teams. The Trust continues to prioritise consultant

psychiatry recruitment; has progressed to develop additional speciality doctor posts; and is supporting one colleague with Certificate of Eligibility for Specialist Registration (CESR).

- **Domiciliary Care**

The historical issues and risks in relation to this sector such as procurement, lack of a regionally agreed model of care, capacity and domiciliary care billing have remained in 2023-24, however the DOH/ SPPG has established a number of regional collaborative forums. One of the Task and Finish groups as part of the collaborative forum will focus on agreeing and commissioning a new model of domiciliary care for HSCNI.

Locally, the Domiciliary Care Oversight Group has continued to meet monthly. This provides an opportunity to review performance and progress against several recommendations across a number of sources e.g. Internal Audit reports, Performance Notices, RQIA reports, Safeguarding investigations, Complaints and Incidents.

The Trust is planning to commence implementation of a Live Monitoring solution across the in-house Domiciliary Care service during 2024-25, with a view to seeing this embedded across in-house and potentially Independent Sector providers in due course. The implementation of a Live Monitoring system, is regarded as a key enabler to support the delivery of a high quality service. This will also ensure that the Trust makes best use of the existing domiciliary care capacity, freeing-up capacity to deal with some of the unmet need in this service area, which currently equates to approximately 592 service users on a waiting list for a domiciliary package of care. To deliver this level of care would require additional capacity in the system to deliver approximately 6,000 hours input per week at a cost of approximately £7million per year. This is beyond the Trust's current commissioned levels of domiciliary care.

- **Report on Inquiry into Hyponatraemia-related Deaths**

Trust level responsibility for assurance surrounding the inquiry oversight transferred to the Trust Safety and Quality Steering Group in October 2023. The Trust continues to monitor the progress of implementation of the Hyponatraemia recommendations and provide assurance through six monthly progress reports. Progress is onward reported via the Senior Leadership Team and also provided to Governance Committee. During 2023, the Department of Health amalgamated the IHRD and INI Boards, forming the new Inquiries Implementation Programme Management Board (IIPMB) which now has oversight of recommendations from both programmes. Progress has been made in the past year on a number of recommendations, however, there are still a portion outstanding which rely on Department input and the Trust continues to engage with DoH colleagues in relation to this cohort and implements the recommendations and guidance provided.

- **Cervical Screening**

The Northern Ireland Cervical Screening Programme, which is managed by the Public Health Agency (PHA), aims to reduce the number of women in the population of Northern Ireland who develop cervical cancer by screening as many women as possible, examining the screening smear test results and referring the women for further treatment if any early warning signs are present. Currently, women aged 25-49 are invited for screening every 3 years and those aged 50-64 are invited every 5 years. The Southern Health and Social Care Trust laboratory alongside 3 other Trusts' laboratories, is commissioned by the PHA to provide the "screening" element of the samples retrieved during the Pap smear part of the Cervical Screening Programme.

In July 2022, senior laboratory staff notified the Southern Trust's management team that they had concerns about performance in some steps of their laboratory's cytology screening system.

To fully consider these concerns, the Trust and PHA commissioned the Royal College of Pathologists (RC Path Consulting) to undertake an independent risk assessment of its cervical screening services to assess whether the women in SHSCT had a higher risk of a false negative report for smears reported by some screeners.

The RC Path report was completed on the 18 May 2023 and published by Southern HSC Trust on 9 October 2023. The RCPATH report stated the *"...likelihood that significant numbers of women screened in this laboratory have had abnormalities missed which would have been detected elsewhere"*.

Having considered the RCPATH Report, the Trust and the PHA determined that it was appropriate to undertake a precautionary review of the results of slides screened fully or in part by the screeners for whom concerns had been raised for the period from 1 January 2008 and October 2021.

The Cervical Cytology Review impacts approx. 17,543 women and commenced on 20 November 2023 starting with those slides of women who were deemed at highest risk, following risk stratification work. This specific focused piece of work is to provide reassurance to the impacted women that their original result (i.e. a normal result) was correct when cytology slides are available to be reviewed via the Slide Review Pathway and otherwise to undertake a Call Forward Smear Test to provide the current cervical screening status. At 30th May 2024, 83% of the Cervical Cytology Review was completed.

- **Urology Public Inquiry**

A statutory independent public inquiry into Urology Services in the Southern HSC Trust was announced by Health Minister Robin Swann in November 2020.

This followed the identification of potential patient safety concerns related to patients who were under the care of consultant urologist, Mr Aidan O'Brien while employed by the Trust.

The work of the USI, commenced in August 2021, has continued through 2023–24 with 56 days of in-person oral hearings. Thirty-seven current and former Trust staff attended to give evidence up to the end of March. Hearings continued through April 2024.

Alongside supporting the delivery of the public inquiry, the Trust has undertaken a **Urology Lookback Review**, reviewing the treatment and care provided by Mr O'Brien between January 2019 and June 2020.

The first outcomes of the Urology Lookback Review were published in August 2023. The Trust examined the records of the 2,112 patients. This resulted in 527 patients requiring an outpatient appointment with a Southern HSC Trust Urology Consultant and of these, 352 patients required a change in their care and treatment. The remaining 175 patients did not have any change to their care plan.

On the basis of the findings, the Urology Lookback Review has been extended to include all remaining patients of Mr O'Brien back to 2010 who received treatment for a urology cancer, which includes prostate, bladder, kidney and testicular cancers, and treated for renal stone disease, who are alive and not seen by another Southern HSC Trust Urology Consultant more recently. Also included in this Lookback Review cohort is any patient who comes forward having been seen and treated by Mr O'Brien as a private patient.

The Trust has established an External Reference Group, with a number of experienced independent health representatives from across the UK, to challenge and support the Trust in their response to the USI. The focus is on how learning from the Inquiry can be embedded in the business of the Trust as part of an on-going quality improvement process.

The Trust has worked to ensure that the continuous learning through the course of the public inquiry has been reflected in developments to support improved governance for patients and staff, for example, clinical audit, patient safety meetings, multi-disciplinary cancer meetings and leadership walks. This focus will remain through 2024-25, while the USI panel work to produce the final report.

- **Granville Manor**

RQIA carried out an unannounced inspection of Granville Manor in September 2022 and serious concerns were identified during the inspection regarding a lack of robust governance arrangements and managerial oversight in relation to staff training, staff appraisals and the management of potential risks to patients which could arise from these deficits. In addition, review of governance records also highlighted that monthly

quality monitoring reports were ineffective in driving the required improvements. An action plan was provided by the Trust confirming how deficits would be managed in a sustained manner. Subsequently, a further unannounced inspection took place on 6 January 2023. Whilst there were improvements noted in relation to the governance and management arrangements, further improvements are required to ensure that the ethos of supported living is embedded into practice. The Trust remains concerned in respect of the provision of safe and effective, person centred care in Granville and has located an improvement team in the facility from March 2023. Progress has been limited, with staffing, culture and competency concerns remaining. The Trust continues to consider the service at Granville to provide safe and effective care.

- **Inpatient Dementia Services**

Older People's Mental Health services, inclusive of dementia services and psychiatry of old age services, are provided by community teams across the three localities of the Trust and are supported by hospital inpatient assessment and treatment beds. Significant staffing recruitment and retention challenges in relation to Consultant Psychiatrists of Old Age emerged during 2022-23.

The Trust held patient safety concerns as there was no aligned / available Consultant Psychiatry cover for the 17-bedded Gillis dementia assessment and treatment unit, a stand-alone unit on the St. Luke's site, Armagh, looking after a vulnerable patient group with a dementia diagnosis, often in addition to multiple comorbidities and significant behavioural challenges. The current service provision was unsustainable and there was a need to instigate an interim change in service delivery to ensure safe and effective care. Following a public consultation (December 2022) the final recommendation of the creation of a bespoke dementia inpatient assessment and treatment unit on the Bluestone Unit was accepted by Trust Board in March 2023. This position is currently under consideration by SPPG and the Trust continues to await the outcome of the SPPG deliberations. Pressures remain in respect of consultant psychiatry medical staffing.

- **UK COVID-19 Public Inquiry**

The UK COVID-19 has been set up to examine the UK's response to, and impact, of the COVID-19 pandemic, and learn lessons for the future. The Inquiry is chaired by the Right Honourable Baroness Heather Hallett DBE. The Trust has provided some initial information to the Inquiry, and is currently locating and logging major relevant documents, identifying key decisions and supporting evidence, to support future Modules of the Inquiry.

## IT Risks

- **Cyber Security**

The risks associated with cyber threats remain high. The Digital Services Division continues to maintain robust Cyber Security through its continued focus on technical security measures, governance and compliance, in line with the Regional Cyber Security Programme Board. A regional business case to continue the Regional Cyber Programme is in progress and the programme will seek continued investment for Cyber related projects and resources. Focus continues on raising awareness of Cyber Security throughout the Organisation through a range of communication initiatives. The Trust is continuing to review its corporate risk to take account of these developments.

The Network & Information Systems Regulation (NIS) Cyber Assessment Framework (CAF) Stage 1 and Stage 2 returns were completed in early 2023 and a programme of work was identified to improve compliance with the regulations. Monthly Compliance meetings have now been established with the Competent Authority to show progress against the Stage 1 and Stage 2 CAF recommendations. Concerns remain around the level of resource required to support the NIS Regulations from Digital Services and Emergency Planning.

## Financial Risks

- **Budget Position and Financial Outlook**

As part of the usual financial planning process the Trust presented a financial strategy and plan in response to the budget announced for 2023-24.

This plan clearly identified the Trust's opening deficit of £64.6m to which new inescapable pressures and savings targets were added together with potential non-recurrent easements. Throughout the financial year the Trust worked on a collaborative basis with SPPG and the DoH to secure additional allocation and to identify internal non-recurrent savings measures and cost containment measures.

As the financial year progressed, the deficit was addressed through additional funding from DoH, including specific non-recurrent deficit funding of £41.3m and in addition the Trust achieved in-year savings of £11.4m. These savings were largely attributable to cost reduction within Nursing Agency and the realisation of other in-year savings plans. The Trust achieved its forecasted break-even position in 2023-24.

Following the Southern HSC Trust increase in forecast deficit and non-achievement of savings plan in 2023-24, the Department of Health commissioned an external review of the Financial Management and Governance arrangements within the Trust. This review made a number of observations and recommendations that will further



strengthen controls in relation to Financial Management and Governance and Financial Culture within the Trust. These recommendations will be implemented in 2024-25.

The Trust continues to have considerable underlying recurrent funding pressures, which, coupled with further in-year emergent pressures will undoubtedly result in significant budgetary challenges continuing into 2024-25 before any impact of the regional HSC sector financial position on the Trust is considered.

The 2024-25 financial position for the NI Public Sector is very challenging. Across the HSC Sector significant challenges continue to be faced and are expected to intensify.

There is no doubt that 2024-25 will be yet another exceptionally difficult year for the Southern HSC Trust and the entire Health and Social Care System as a whole, particularly as the budget allocation provided has resulted in a significant funding gap.

The Department of Health and its Arm's Length Bodies are currently working on the development of Financial Contingency and Financial Recovery Plan in 2024-25 to address the deficit position. However, it is clear that, if the Department of Health does not receive significant additional funding, the implementation of high impact savings will be required, with adverse consequences for an already highly pressurised health and social care system which would be very damaging for service delivery.

Extensive budget planning work to support the Trust 2024-25 financial plan is ongoing between the Trust, SPPG and the Department of Health.

The financial focus in 2024-25 will be on rebuilding robust financial control and improving service productivity and efficiency to help contain and reduce costs and improve financial discipline across the Trust.

The risk to achieving break-even in 2024-25 is included in the Trust Corporate Risk register.

### **Current Year Issued Closed**

#### **Laboratory Accreditation for Cervical Cytology (UKAS)**

Accreditation for the Cervical Cytology Laboratory in Southern HSC Trust was temporarily suspended by UKAS following a scheduled inspection in October 2023 due to the historic underperformance issue in the cervical cytology laboratory and the imminent (at that time) Cervical Cytology Review.

Eleven mandatory improvement actions relating to the suspension of the cervical cytology were issued by UKAS for the Trust to address. These have now been addressed and UKAS Accreditation of the cytology work in the Southern HSC Trust laboratory was reinstated on 22 December 2023.

Although accreditation for the Cervical Cytology Service has been reinstated, the commissioner and PHA do not plan on using the Southern HSC Trust laboratory for the Northern Ireland Cervical Screening Programme at this time. This is not because of the accreditation issue – it is because the PHA have now introduced Primary HPV Screening which will result in an approximate 75% reduction in demand for cytology slide review across Northern Ireland.

### **Electronic Document Transfer (EDT) System Issue**

In September 2023 the Trust identified an emerging issue with the regional hosted service called Electronic Document Transfer (EDT) that facilitates the electronic transfer of clinical communications from certain Trust systems to Primary Care Information systems (GP Practices). This replaces posting letters to GPs and has the benefit of real time transfer once the communication is approved for sending. In order for the Patient/Client letter to be sent via EDT it requires users to approve/verify the letter. This ensures that only final (approved) copies are sent to the GPs and that they are not receiving multiple copies as the letters move through the review and approval process.

Within Orthopaedic ICATS a Datix (the system on which all incidents and associated reporting is captured in the Trust) had been raised following an alert from a GP advising that patient's previous clinic letters were not sent via EDT. It should be noted that the documents were available on Northern Ireland Electronic Care Record (NIECR), however, the reporting GP advised that they do not regularly use this system.

Following the raising of this Datix, a report was run to identify the total volume of unverified documents on the system. This initial report identified approximately 25,000 unverified documents on the system.

In order to identify the risk associated with this volume of 'unverified' documents, two sampling exercises were undertaken across the specialty areas. Based on the outcomes from the two sampling exercises it would appear that the risk associated with the volume of unverified documents appears to be minimal. Based on the analysis undertaken, and in consideration of learning from the Nottingham University Hospitals Trust, the following actions have been undertaken:

- Creation of a Qlik Sense dashboard for 'live' performance monitoring of unverified documents;
- Creation of a new automated report which will detail, on a cumulative basis, the unverified documents that require actioning; and
- Revision of the Standard Operating Procedure to ensure that there is robust and explicitly clear on the actions to be taken and the responsibilities of all staff.

While further work is being undertaken to develop an audit tool / cycle to independently monitor compliance with new standards and timescales all recommendations have

now been implemented. In anticipation of the roll-out of Encompass the Trust is linking with the South Eastern Trust to ascertain the impact on the 'verification' process once Encompass is utilised.

### **New Ongoing Control Issues in 2023-24**

There is 1 significant internal control divergence which has been identified in 2023-24 which is ongoing.

### **Social Work Services**

Social work services in the Trust continue to be compromised primarily as a consequence of substantive long term vacancies and lack of available staff to recruit. Whilst impacting on all Directorates, it is most profound in Children's services where there are vacancies of up to 35% in areas such as Looked after Children teams and Family Intervention teams.

Mitigating actions have been implemented including introduction of skills mix, and application of a whole service approach with the objective of prioritising Child Protection and Looked after Children services.

This combined with application of Quality improvements initiatives, has resulted in reductions in Family Support and Children with Disability unallocated cases. The service continues to experience an upwards trajectory in the numbers of children becoming Looked after which is creating very considerable challenges in respect of Care placement Capacity.

In addition, and directly linked to substantive social work vacancies and lack of available qualified social workers to recruit, the service is now experiencing a small number of unallocated Looked after children and a corresponding breach in Delegated Statutory functions.

## **12. Conclusion**

In light of the overall limited assurance from the Head of Internal Audit on the system of operation of internal controls in the Trust during 2023-24 together with ongoing governance review, I acknowledge that the system of Internal Control, Risk Management & Governance requires strengthening in a number of areas. I confirm that action plans are in place to address these areas.

The Trust maintains 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).

As outlined above, the internal audit review of control systems has resulted in a number of limited assurance opinions in the Trust. A number of priority one issues

have been raised with management and extensively examined by the Audit and Risk Committee. The findings of these reports and others such as those issued by RQIA will be incorporated into action plans aimed to address the weaknesses/gaps in control processes.

## **REMUNERATION AND STAFF REPORT FOR THE YEAR ENDED 31 MARCH 2024**

### **Remuneration Report**

#### **Scope of the report**

The Remuneration report summaries the remuneration policy of the Southern HSC Trust and particularly its application in connection with senior executives. The report also describes how the Trust applied the principles of good corporate governance in relation to senior executives remuneration in accordance with HSS (SM) 3/2001 issued by the Department of Health (NI).

#### **Membership of the Remuneration and Terms of Service Committee**

The Remuneration and Terms of Service Committee oversee remuneration and other terms and conditions of Executive Directors.

The Remuneration and Terms of Service Committee of the Southern HSC Trust includes the Trust's Chair and two Non-Executive Directors of the Trust.

The Committee is supported by the Trust's Chief Executive and the Director of Human Resources & Organisational Development.

The terms of reference of the Committee are based on Circular HSS (PDD) 8/94 Section B.

#### **Policy on the Remuneration of the Chief Executive and Directors**

The Policy on Remuneration of the Trust's 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.

Fees and allowances paid to the Chair and other Non-Executive Directors are as prescribed by the Department of Health.

For the purposes of this report the pay policy refers to Senior Executives, defined as Chief Executive, Executive Director and Functional Director and is based on the guidance issued by the Department of Health on job evaluation, grades, rate for the job, pay progression, pay ranges and contracts.

#### **Trust Board**

The Trust Board determines the strategic and operational corporate objectives for the Trust for the year ahead. This takes into consideration the parameters established by the Department of Health and to incorporate the objectives within the Service or Trust Delivery plans.

## Performance Objectives

Performance objectives are linked to Trust service delivery and development plans. Performance objectives are clear and measurable.

## Performance Evaluation

Pay progression is determined by an annual assessment of performance. It is the responsibility of the Remuneration and Terms of Service Committee to monitor and evaluate the performance of the Chief Executive ensuring that any discretionary awards in terms of performance related pay are justifiable in light of the Trust's overall performance.

The Chief Executive is responsible for the assessment of performance of the Senior Executives based on the attainment of individual objectives established at the outset of the year. The Chief Executive is also responsible for the submission of recommendations to the Remuneration and Terms of Service Committee for its annual review of salaries which are conducted in accordance with the relevant circulars issued by the Department of Health.

The evaluation of performance is based on evidence of achievement of service and task objectives relating pay to performance. This process is completed in accordance with Paragraph 14 of the Departmental Circular detailed within Circular HSS (SN) 1/2003. The individual performance review bands are as follows:

- Fully acceptable
- Incomplete
- Unsatisfactory

The Remuneration and Terms of Service Committee is fully conversant with organisational performance via regular reports to Trust Board. The levels of performance pay applied by the Remuneration and Terms of Service Committee are prescribed by Department of Health. The Department of Health has not to date issued any pay circular in respect of pay progression based on performance for Senior Executives in the period 1 April 2023 to 31 March 2024. All pay awards have been paid for each year including 2023-24.

## Temporary / Interim Cover

- **Mr Colm McCafferty**, who has been in the role of Interim Director of Children and Young People's Services for 2022-23 and through 2023-24 to backfill the substantive position of Director of Children and Young People's Services following the retirement



of Mr Paul Morgan on 30 September 2021. Mr McCafferty has commenced the role permanently with effect from 27 February 2024.

- **Mrs Heather Trouton**, existing Executive Director of Nursing, Midwifery, AHP's and Functional Support Services, was appointed to the position of Deputy Chief Executive for a two year period effective from 20 June 2023.
- **Ms Catherine Teggart**, existing Executive Director of Finance, Procurement and Estates, was appointed to the position of Deputy Chief Executive effective from 20 June 2023. Ms Teggart resigned this position from 26 February 2024.

### New Appointments

- **Ms Elaine Wilson**, commenced the role of Director of Planning, Performance and Informatics on 19 June 2023.
- **Mrs Margaret O'Hagan**, commenced the role of Programme Director for Transformation & Improvement from 12 February 2024 on secondment, permanent appointment from 1 April 2024.

### Service contracts

During 2023-24, all contracts were permanent with the exception of the Interim posts noted above. As far as all Senior Executives are concerned, the provisions for compensation for early termination of contract are in accordance with the appropriate Departmental guidance.

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.

All Senior Executives in the year 2023-24, except the Medical Director, are employed on the Department of Health (NI) 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 Medical Director is employed under a contract issued in accordance with the HSC Medical Consultant Terms and Conditions of Service (Northern Ireland) 2004. No compensation for loss of office was paid in 2023-24.

## Senior Employees' Remuneration (Audited)

The salary and the value of any taxable benefits in kind of the most senior members of the Trust were as follows:

Name	2023-24				2022-23			
	Salary £000	Benefits in Kind (Rounded to nearest £100)	Pensions benefit (Rounded to nearest £1,000)	Total £000	Salary £000	Benefits in Kind (Rounded to nearest £100)	Pensions benefit (Rounded to nearest £1,000)	Total £000
<b>Non-Executive Members</b>								
Ms E Mullan (Chair)	30-35	4	-	30-35	30-35	-	-	30-35
Mrs H McCartan	5-10	-	-	5-10	5-10	-	-	5-10
Mr J Wilkinson (To 14th February 2024)	5-10 (FYE 5-10)	-	-	5-10 (FYE 5-10)	5-10	-	-	5-10
Ms G Donaghy	5-10	1	-	5-10	5-10	-	-	5-10
Mr M McDonald	5-10	1	-	5-10	5-10	-	-	5-10
Mrs P Leeson	5-10	1	-	5-10	5-10	-	-	5-10
Mrs L Ensor - (From 1st January 2024)	0-5 (FYE 5-10)	-	-	0-5 (FYE 5-10)	N/A	N/A	N/A	N/A
Mr J Johnston- (From 15th February 2024)	0-5 (FYE 5-10)	-	-	0-5 (FYE 5-10)	N/A	N/A	N/A	N/A
Mr R Lynas- (From 15th February 2024)	0-5 (FYE 5-10)	-	-	0-5 (FYE 5-10)	N/A	N/A	N/A	N/A
<b>Executive Members</b>								
Dr M O'Kane - Chief Executive	215-220	-	80	295-300	205-210	-	252	455-460
Mrs H Trouton - Executive Director of Nursing, Midwifery, AHP's and Functional Support Services / Deputy Chief Executive	105-110	2	57	160-165	95-100	2	12	110-115
Ms C Teggart - Executive Director of Finance, Procurement & Estates	95-100	-	21	115-120	85-90	-	18	100-105
Mr C McCafferty - Director of Children & Young People's Services /Executive Director for Social Work	90-95	3	20	110-115	85-90	1	15	100-105
Dr S Austin - Executive Medical Director	215-220	-	137	355-360	80-85 (FYE 205-210)	-	4 (FYE 14)	85-90 (FYE 220-225)
Dr D Scullion - Interim Medical Director (To 6th November 2022)	N/A	N/A	N/A	N/A	30-35 (FYE 200-205)	-	-	30-35 (FYE 200-205)
Dr D Gormley - Interim Medical Director (To 4th September 2022)	N/A	N/A	N/A	N/A	25-30 (FYE 170-175)	-	-	25-30 (FYE 170-175)
Dr A Diamond - Interim Medical Director (To 3rd July 2022)	N/A	N/A	N/A	N/A	20-25 (FYE 135-140)	-	7 (FYE 42)	25-30 (FYE 175-180)
<b>Other Members</b>								
Mrs V Toal - Director of Human Resources and Organisational Development	80-85	2	22	100-105	80-85	1	10	90-95
Mrs M McClements - Director of Acute Services (To 31 July 2022)	N/A	N/A	N/A	N/A	40-45 (FYE 105-110)	0	3 (FYE 8)	45-50 (FYE 110-115)
Mr B Beattie - Director of Adult Community Services	90-95	0	21	115-120	95-100	0	19	115-120
Mrs J McGall - Director of Mental Health & Disability Services	85-90	3	19	105-110	80-85	2	35	115-120
Mrs L Leeman - Interim Director of Performance and Reform (To 31st August 2023)	35-40 (FYE 85-90)	2	3 (FYE 8)	40-45 (FYE 95-100)	85-90	-	54	135-140
Ms E Wilson - Director of Planning, Performance & Informatics (From 19th June 2023)	85-90 (FYE 110-115)	0	20	105-110 (FYE 130-135)	N/A	N/A	N/A	N/A
Mrs C Reid - Director of Surgery & Clinical Services	85-90	0	(8)	80-85	60-65 (FYE 95-100)	-	11 (FYE 16)	70-75 (FYE 110-115)
Mrs T Reid - Director of Medicine and Unscheduled Care	90-95	0	41	130-135	55-60 (FYE 85-90)	-	37 (FYE 56)	90-95 (FYE 140-145)
Mrs M O'Hagan - Programme Director for Transformation & Improvement (From 12th February 2024)	15-20 (FYE 115-120)	0	4 (FYE 33)	20-25 (FYE 150-155)	N/A	N/A	N/A	N/A

FYE is used as an abbreviation for Full Year Equivalent.

The changes in Director appointments during the year are fully described in the Directors' Report on pages 57 to 63.

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

The expected but not paid pay award for senior executive staff for 2023-24, has been accrued in the accounts and reflected in the pay disclosure table above. The prior year comparatives for 2022-23 have been adjusted to reflect the accrued pay awards for those years.

## Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Trust and treated by HM Revenue and Customs as a taxable emolument. The benefits in kind listed above relate to the profit element of mileage expenses.

## Fair Pay Disclosures (Audited)

The Trust is required to disclose a range of fair pay disclosures, including the relationship between the remuneration of the highest paid Director in their organisation and the median remuneration of the organisation's workforce, excluding the highest paid Director. The table below outlines this relationship:

	2023-24	2022-23
Band of Highest Paid Director's Total Remuneration ( <b>£000s</b> )	215-220	205-210
% Change from Previous Year	4.82%	0.00%
25th Percentile Remuneration	27,183	26,039
25th Percentile Pay Ratio	8.00	7.97
Median Remuneration	35,322	33,891
Median Pay Ratio	6.16	6.12
Mean Remuneration	40,551	38,826
% Change from Previous Year	4.44%	2.53%
75th Percentile Remuneration	46,105	44,146
75th Percentile Pay Ratio	4.72	4.70
Range of Staff Remuneration (normalised for standard hours)	£20,380 - £312,676	£20,270 - £277,500

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. The median reflects the aggregation of earnings where staff have more than one post within the Trust. The calculations exclude agency staff.

The Trust average pay (mean remuneration) of £40,551 has increased by 4.44% when compared to that in 2022-23 (at a value of £38,826). This increase is mainly due to application of Pay Award uplifts in respect of 2023-24.

The banded remuneration of the highest paid Director in 2023-24 was £215,000 - £220,000 (2022-23: £205,000 - £210,000). This is 6.16 (2022-23: 6.12) times the median remuneration of the workforce, which was £35,322 (2022-23: £33,891).

In 2023-24, 7 employees (2022-23: 9) received remuneration in excess of the highest paid director. All of these employees were clinicians.

## Pensions of Senior Management (Audited)

The pension entitlements of the most senior members of the Trust were as follows:

Name	2023-24				
	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 31/03/23 £000s	CETV at 31/03/24 £000s	Real increase in CETV £000s
<b>Executive Members</b>					
Dr M O'Kane - Chief Executive	5-7.5 plus 2.5-5 lump sum	110-115 plus 280-285 lump sum	2,401	2,732	331
Mrs H Trouton - Executive Director of Nursing, Midwifery, AHP's and Functional Support Services/ Deputy Chief Executive	2.5-5 plus 2.5-5 lump sum	35-40 plus 60-65 lump sum	642	779	137
Ms C Teggart - Executive Director of Finance, Procurement & Estates	0-2.5	0-5	29	56	27
Mr C McCafferty - Director of Children & Young People's Services /Executive Director for Social Work	0-2.5	30-35 plus 45-50 lump sum	532	627	95
Dr S Austin - Executive Medical Director	7.5-10 plus 12.5-15 lump sum	80-85 plus 155-160 lump sum	1,368	1,696	328
<b>Other Members</b>					
Mrs V Toal - Director of Human Resources and Organisational Development	0-2.5 plus 0-2.5 lump sum	30-35 plus 45-50 lump sum	458	554	96
Mr B Beattie - Director of Adult Community Services	0-2.5	40-45 plus 115-120 lump sum	1,010	1,071	61
Mrs J McGall - Director of Mental Health & Disability Services	0-2.5	20-25 plus 35-40 lump sum	302	388	86
Mrs L Leeman - Interim Director of Performance and Reform	0-2.5	45-50 plus 90-95 lump sum	1,136	1,209	73
Ms E Wilson - Director of Planning, Performance & Informatics	0-2.5	10-15	158	211	53
Mrs C Reid - Director of Surgery & Clinical Services	0-2.5 plus (2.5)-(5) lump sum	40-45 plus 95-100 lump sum	819	898	79
Mrs T Reid - Director of Medicine and Unscheduled Care	0-2.5 plus 2.5-5.0 lump sum	40-45 plus 90-95 lump sum	826	968	142
Mrs M O'Hagan - Programme Director for Transformation & Improvement (From 12th February 2024)	0-2.5 plus 0-2.5 lump sum	45-50 plus 130-135 lump sum	1,037	1,176	140

The changes in Director appointments during the year are fully described in the Directors' Report on pages 57 to 63. FYE is used as an abbreviation for Full Year Equivalent.

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

The current career average pension scheme does not have a provision for lump sum payment on retirement. Employees who are part of this scheme will not have an accrued lump sum entitlement.

## Cash Equivalent Transfer Values

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 HSC 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, and using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2024, including the HM Treasury updated guidance published on 27 April 2023.

## Real Increase in CETV

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

## Staff Report

The Trust employs 15,971 staff (12,822 whole time equivalent). This figure includes staff with more than one job position.

### Staff costs comprise (Audited):

	2024			2023
Staff costs comprise:	Permanently employed staff £000s	Others £000s	Total £000s	Total £000s
Wages and salaries	506,225	72,882	579,107	492,610
Social security costs	39,332	1,791	41,123	42,060
Other pension costs	85,723	2,085	87,808	86,888
<b>Sub-Total</b>	<b>631,280</b>	<b>76,758</b>	<b>708,038</b>	<b>621,558</b>
Less Capitalised staff costs	(434)	-	(434)	(586)
<b>Total staff costs reported in Statement of Comprehensive Expenditure</b>	<b>630,846</b>	<b>76,758</b>	<b>707,604</b>	<b>620,972</b>
Less recoveries in respect of outward secondments			(1,058)	(1,763)
<b>Total net costs</b>			<b>706,546</b>	<b>619,209</b>
<b>Total staff costs reported in the statement of comprehensive expenditure of which:</b>			<b>£000s</b>	<b>£000s</b>
Southern HSC Trust			707,604	620,972
Charitable Trust Funds			-	-
<b>Total</b>			<b>707,604</b>	<b>620,972</b>

Staff Costs exclude £434k charged to capital projects during the year (2022-23: £586k).

Staff Costs include £960k associated with Research & Development Projects (2022-23: £859k).

### Pension Liabilities

The Trust participates in the HSC Superannuation 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.

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), a final salary scheme, 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 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.

Discrimination identified by the courts in the way that the 2015 pension reforms were introduced must be removed by the DoH. It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relate to the different HSC Pension Schemes i.e. 1995 Section, 2008 Section and 2015 Scheme and is not the monetary benefits received. This is known as the 'McCloud Remedy' and will impact many aspects of the HSC Pension Schemes including the scheme valuation outcomes. HSC Pension Service have made progress in implementing the first stage of the McCloud Remedy by rolling affected members back into their legacy scheme i.e. 1995/2008 up until 31st March 2022. All active members have now moved to the 2015 CARE Scheme from 1st April 2022.

As a result, all pension calculations processed on or after 1st April 2024 will have benefits up to 31st March 2022 calculated under their legacy scheme i.e. 1995/2008. All benefits accrued from 1st April 2022 onwards will be calculated under the 2015 CARE Scheme. HSCPS will contact retirees at a later date with personalised information to assist in making their retrospective choice regarding their benefits for the remedy period (01/04/2015 – 31/03/2022).

HSC Pension Service is working closely with their software suppliers in ensuring system capability of implementing the required legislative changes. All affected members will be contacted in phases and they are working towards offering members this choice on retirement as soon as reasonably possible. Further information on this will be included in the HSC Pension Scheme accounts.

For 2023-24, employers' contributions of £85.7m were payable to the HSC Pension Scheme (2022-23 £84.9m) at 22.5% of pensionable pay.

A NEST (National Employment Saving Trust) Scheme is also in operation for employees who are not eligible to the HSC Pension Scheme and the HSC Pension Scheme 2015, with a member contribution rate of 5% in 2023-24. For 2023-24, employers' contributions of £37k (2022-23: £44k) were payable to NEST at 3% of pensionable pay.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required with sufficient regularity that the amounts recognised in the

financial statements do not differ materially from those determined at the reporting period date. This has been interpreted in the FReM to mean that the period between formal actuarial valuations shall be 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 scheme valuation data provided for the 2020 actuarial value will be used in the 2023-24 accounts. The 2020 valuation assumptions will be retained for demographics whilst financial assumptions are updated to reflect recent financial conditions.

During 2023-24, there were 42 (2022-23:11) early retirements from the Trust, agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £117k (2022-23: £34k). These costs are borne by the HSC Pension Scheme.

From 1 April 2014, final pay controls were introduced for all members of the 1995 Scheme. If a member receives an increase in pensionable pay in any of the three years prior to them retiring, or transferring out of the scheme, that is more than a specified amount, the employer is liable for a final pay control charge in the year the individual retires or transfers out. In 2023-24, the Trust has accrued £342k in relation to additional pension liabilities (2022-23: £231k).

### **Reporting of Early Retirement and Other Compensation Scheme – exit packages (Audited)**

There were no early retirements or compensation exit packages agreed in 2023-24 (2022-23: £nil). 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.

### **Trust Management Costs (Audited)**

	<b>2024 £000s</b>	<b>2023 £000s</b>
Trust management costs	32,465	30,204
<b>Income:</b>		
RRL	1,019,635	923,595
Income	53,535	47,407
<b>Total Income</b>	<b>1,073,170</b>	<b>971,002</b>
<b>% of total income</b>	<b>3.03%</b>	<b>3.11%</b>

The above information is based on the Audit Commission's definition "M2" Trust Management costs as detailed in HSS (THR) 2/99. A review of the trend of Trust Management costs show that whilst the Trust's total income base has increased in the last three consecutive years, management costs have remained fairly consistent.

	2024 £000	2023 £000	2022 £000
Trust Management Costs	32,465	30,204	29,092
Total Income	1,073,170	971,002	920,586
<b>% of Total Income</b>	<b>3.03%</b>	<b>3.11%</b>	<b>3.16%</b>

## Staff Benefits

The Trust provides staff with a number of taxable benefits availed of via salary sacrifice schemes such as, Cycle to Work Scheme and Private Car Lease Scheme. These schemes are open to all staff meeting the HMRC eligibility criteria.

## Average Number of Persons Employed (Audited)

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

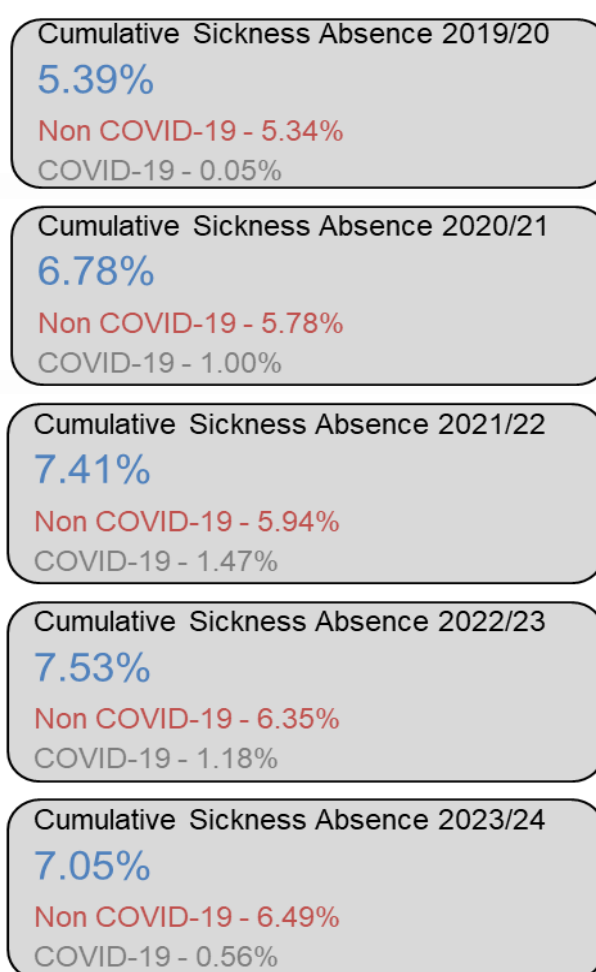
	2024		2023	
	Permanently employed staff No.	Others No.	Total No.	Total No.
Medical and dental	581	438	1,019	978
Nursing and midwifery	4,190	253	4,443	4,430
Professions allied to medicine	1,545	25	1,570	1,572
Ancillaries	738	155	893	928
Administrative & clerical	2,010	48	2,058	2,057
Estates & Maintenance	135	2	137	132
Social services	1,712	20	1,732	1,702
Domiciliary/Homecare Workers	984	-	984	991
<b>Total average number of persons employed</b>	<b>11,895</b>	<b>941</b>	<b>12,836</b>	<b>12,790</b>
Less average staff number relating to capitalised staff costs	(3)	-	(3)	(8)
Less average staff number in respect of outward secondments	(11)	-	(11)	(14)
<b>Total net average number of persons employed</b>	<b>11,881</b>	<b>941</b>	<b>12,822</b>	<b>12,768</b>
Of which:				
Southern HSC Trust			12,822	
Charitable Trust Fund			-	
			<b>12,822</b>	

"Medical & Dental: Others" includes approx. 246 WTE Doctors in Training recharged by NIMDTA (2022-23: 233 WTE). Southern HSC Trust retains funding for these employees.

## Workforce Capacity

### Staff Absence

During 2023-24 the Trust continued to see staff and services impacted due to **increased absenteeism levels**. Sickness absence levels have reduced by approximately 0.5% since 2022-23 but continue to remain higher than pre-pandemic level of 5.39% in 2019-20 to 7.05% as at end of March 2024.



## Staff Turnover

Staff turnover for permanently employed staff in the Trust is shown below.

Contract Type	% Turnover		
	2021/22	2022/23	2023/24
Permanent	8.94%	8.61%	8.77%

*\*The figures above are based on Leavers from the Trust and do not include Internal Transfers.*

## Off Payroll Engagements

The Trust did not engage Off Payroll Staff Resources in 2023-24 (2022-23: £nil).

## Consultancy

Consultancy includes staff who provide objective advice relating to strategy, structure, management or operations of an organisation and may include the identification of options with recommendations.

The Trust incurred consultancy expenditure of £Nil in 2023-24 (£94k 2022-23).

## Staff Policies & Other Employee Matters

Launched in 2022, the Trust's People Framework sets out our People Priorities of Wellbeing, Belonging and Growing. Examples of some of the actions in our 2023-24 Wellbeing Action Plan that were progressed during this year include: -

### Our People Framework - Wellbeing

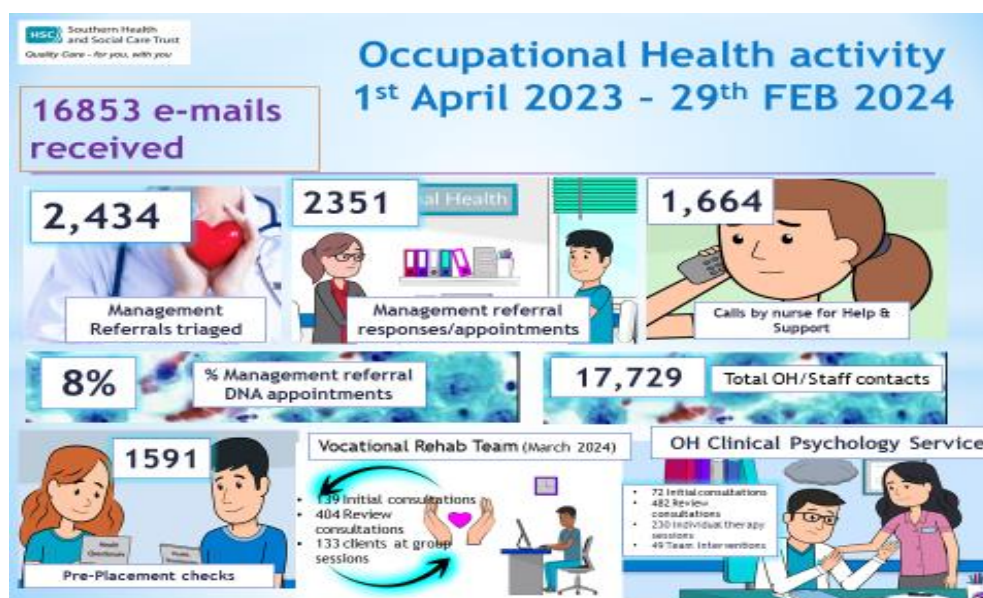
#### Occupational Health & Wellbeing Service (OHWS)

Over the past year, our Occupational Health & Wellbeing Service continues to implement our strategic plan focusing on prevention, protection and improved employee wellbeing as well as fitness for work assessments.

The evolving multidisciplinary team including Specialist Occupational Health Nurses, Doctors, Technicians, Specialist Occupational Therapists, Clinical Psychologists, Cognitive Behavioural Therapists and Physiotherapists continue to deliver individual and group related interventions for staff and teams.

The Responding to Stress Policy and Toolkit was launched during this period with, awareness sessions co-facilitated by OHWS Team Leads and the Consultant Clinical Psychologist. 146 staff have attended the awareness sessions designed to promote this new policy and toolkit and to support staff and managers in using it.

The associated activity levels around management referrals, pre-employment health assessments and queries to the service for 1 April 2023 – 29 February 2024 are summarised in the graphic: -





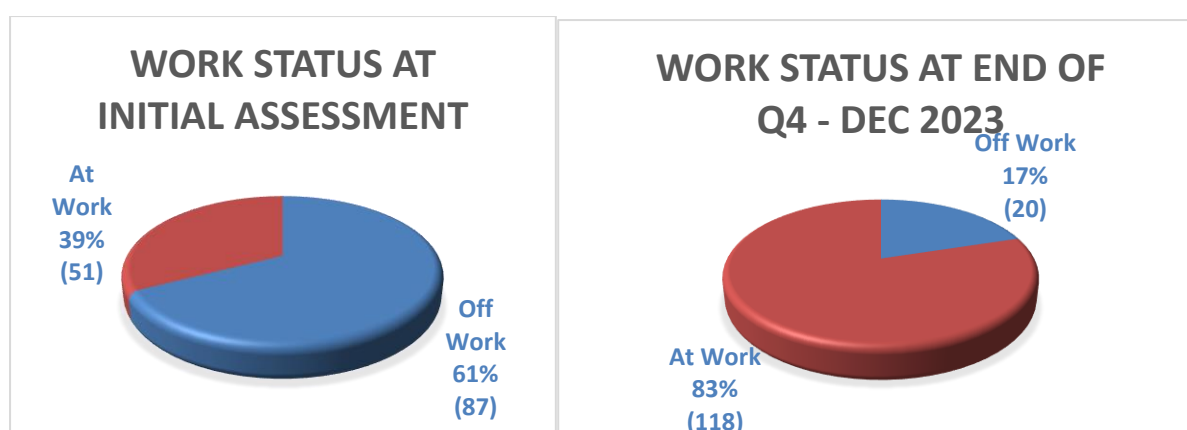
## OHWS Post Covid-19 Employee Vocational Rehabilitation Team

The Post Covid-19 Employee Vocational Rehabilitation Programme, which commenced in January 2023, provided support, advice and rehabilitation for employees who are experiencing Covid-19 related symptoms following a Covid-19 infection. From 29 January 2024 this team also opened the service up to employees who were struggling with other long-term health conditions.

The team is comprised of a Specialist Physiotherapist, Occupational Therapist and Cognitive Behavioural Therapist. The programme consisted of a combination of group work, individual one-to-one sessions, self-management strategies and return to work advice.

As of the end of March 2024, this programme is now complete as the funding was non-recurrent. By the end of the programme in March 2024 the team had carried out 138 initial consultations and completed 10 group sessions with very positive feedback.

The pre and post work status is outlined below for the 138 employees that have completed an initial assessment and have had follow up interventions to date:



At the end of March 2024 there has been a 44% increase in those employees who had returned to work following intervention with the programme. Additionally, using validated outcome measures, 84% of employees reported an improvement in their health status following input with the programme.

## OHWS Psychology Team

The Occupational Health Psychology service is embedded within the overall Occupational Health and Wellbeing Service and a breakdown of the associated interventions undertaken in 2023-24 are outlined below:

**Psychology 1:1 Intervention:** This is a highly specialist service, which aims to provide therapeutic support to staff with a range of emotional difficulties that have directly stemmed from workplace factors. This may include post-trauma symptoms following a work-related incident or injury; work-related stress and anxiety and support for

employees undergoing workplace investigations. Average waiting time for this period was 6 weeks.

1058 appointments were offered to employees during this period (increase by 35% as compared to previous year). Of the 82 referrals accepted, 44 were in work at time of referral (54%), 32 returned to work during or following 1:1 psychology intervention (39%); 6 remained on sickness absence (7%).

*Managers' Consultation Service:* This consultation service offers confidential psychological support to our managers within the trust. This may be to consider the emotional impact of the role on the manager's own well-being, to consider how best they support an individual employee, or to consider how best they support the emotional well-being of their team (this includes responding to post critical incidents).

67 Consultation sessions were offered to managers throughout this period. The outcome of these included OH Psychology team input (Staff Wellbeing Session or Peer Support Debriefing), further consultation support, and onward referral to services including OH Psychology, NFA and signposting to other services.

### **Staff Wellbeing Team Interventions:**

*Staff Wellbeing Sessions* are offered to teams across the trust. These half day sessions focus on the emotional impact of the work carried out within these teams and how best individuals and the teams can look after their emotional well-being. During this period, 20 staff wellbeing sessions were delivered, and 222 employees attended these sessions.

Peer Support Debriefing as a model of support to teams following critical/distressing incidents at work has been developed alongside Psychology and the Regional Trauma Network. Interventions are co-facilitated by 2 members of this "team" of professionals. The OH Psychology Lead has facilitated 6 Debriefings during this period to different teams within the Trust.

*Schwartz Rounds:* Schwartz Rounds provide a structured forum where all staff, clinical and non-clinical, come together regularly to discuss the emotional and social aspects of working in healthcare. 10 Schwartz Rounds were delivered across the Trust during the year. 280 employees across different directorates and bandings attended these Rounds.

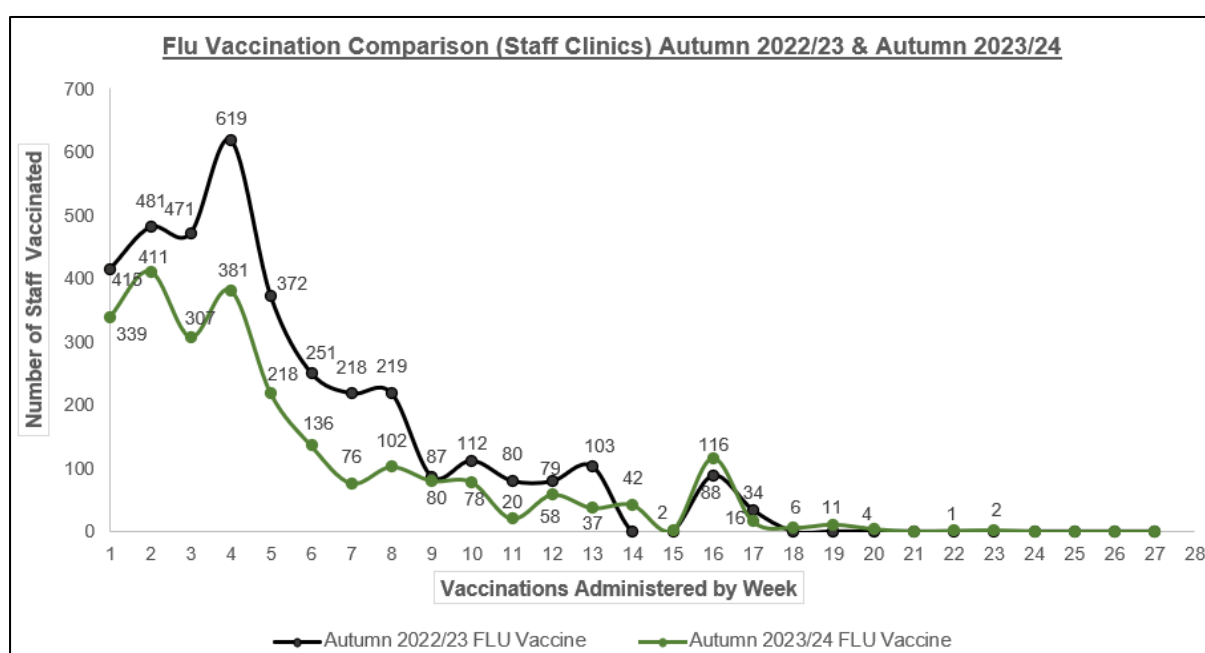
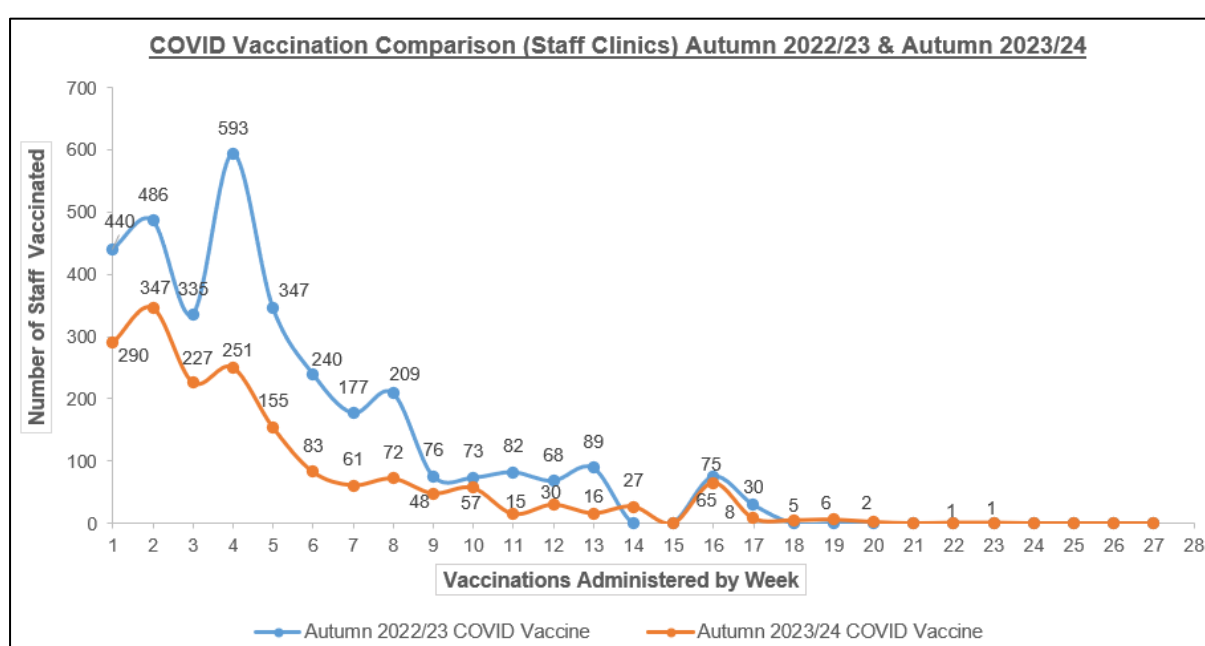
The Trust also developed 'Guidelines following suspected suicide of a colleague' in partnership with the Trust's Bereavement Co-ordinator, Protect Life Co-ordinator and Organisational Development team [Guidelines Following Suicide of A Colleague](#).

## Staff Autumn/Winter Vaccination Programme (Flu and Covid)

The 2023-24 autumn Employee Covid-19 and flu vaccination programme was undertaken from early September 2023 until February 2024. Dedicated employee vaccine clinics were offered across a wide range of Trust locations by the Trust Vaccination Services within the Promoting Wellbeing Division. The total number of vaccines given for Flu and Covid-19 were 2405 and 1805 respectively. Comparison graphs for the 2022-23 and 2023-24 programmes are outlined in the graph.

### AUTUMN 2022/23 & 2023/24 COMPARISON GRAPHS FOR NUMBER OF COVID/FLU VACCINATIONS ADMINISTERED

#### Staff Programme Autumn 2022/23 compared to Autumn 2023/24



## Mental Health Awareness Sessions for Managers

Since September 2023, 145 employees have attended a new programme of Mental Health Awareness Sessions aimed at people in line management roles. The sessions, delivered by the Organisational Development Team, provide managers with a chance to explore what non-specialists can do to help colleagues feel safe, supported and understood and signposts to sources of support.



## Health & Wellbeing Care Packs for Domiciliary Care

During October/November 2023, approximately 1,200 care packs were distributed to our Domiciliary Care workforce. Information to support workplace health and wellbeing was provided in a drawstring sports bag along with a range of health and wellbeing items. Visits were arranged at locations in Banbridge, Dungannon, Armagh and Newry and our Consultant Clinical Psychologist and the Organisational Development Team were able to engage with Domiciliary Care Workers and line managers to identify any additional psychology support needed.

## Application for NHS Charities funding to employ Health and Wellbeing Advocates

The Trust received official confirmation in October 2023 from NHS Charities that a funding application submitted in June 2023 was successful and a total of £253,000 was awarded over a 2-year period. This grant will provide funding to employ a small team of Promoting Staff Wellbeing Support Workers who will create and deliver a wide range of opportunities for employees and volunteers across the Trust to access and participate in activities to improve their health and wellbeing, to build their mental and emotional resilience, and to support them to provide the best safe, high quality, compassionate care and support to our population.

## Foodbank Initiative

In December 2023, a successful Trust wide initiative gathered a significant collection of items for our local Foodbanks and provided an opportunity to share local Foodbank contact details and raise awareness of support available. Over 1,000kg of donations were gathered which equated to nearly 3,000 meals. A thank you to everyone that participated and to highlight its success was shared with our workforce.



## Flexible Working



It is widely accepted that flexibility at work is key to attracting, retaining and supporting our skilled and valued workforce and assisting in the delivery of high-quality services across Health and Social Care into the future. The HSC Flexible Working Framework and supporting resources were introduced in 2022-23. Awareness training remains ongoing for line managers and resources/information on flexible working options are available.

The effectiveness of the Trust's Interim Hybrid Working guidance document was assessed in 2023-24 via a Pulse Survey. The guidance document was updated and re-issued in February 2024. The guidance sets out the areas of consideration that managers and employees should discuss in order to balance office and home working and how to put in place working arrangements that best meet organisational needs.

## Equality, Diversity & Inclusion

It is our aim to help create and support a culture that is inclusive at all levels and help create a sense of belonging, in line with the Trust's Vision, Values and Priorities. We strive to ensure the Trust is a 'great place to work' that promotes positive attitudes to diversity, both in relation to employees and service users. We wish to ensure that equality, diversity and inclusion are embedded across our organisation and that our employment practices are fair, flexible and enabling so that each employee can reach their full potential.

Some key highlights during the 2023-24 year include:-

- A comprehensive programme of training is provided both by the Trust Equality team and also in partnership with a range of organisations such as Rainbow, BDA and Employers for Disability NI.
- Equality, Good Relations and Human Rights e-learning programme for all employees is available on the regional HSC learning platform.

## Diversity & Inclusion Calendar

Last year we developed our first Diversity & Inclusion Calendar making a commitment to celebrate a number of diversity days throughout the year. For the 2023-24 year this included awareness raising and sharing of information on celebratory events such as:

- Equality, Diversity and Human Rights Week, 8-13 May 2023
- Good Relations Week, September. The Southern HSC Trust is committed to the promotion of good relations amongst people of different religious belief, race or political opinion, during GRW the EDI team took the opportunity to promote our good relations statement and highlight our commitment that our



staff and service users should be treated with respect and dignity in line with the HSC Values.

- Global Diversity Awareness Month, October is a reminder of the positive impact a diverse culture of people can have on society as a whole. It aims to raise awareness of diversity and inclusion and celebrate all the ways our different ethnicities, cultures, heritages, experiences and abilities contribute to a more dynamic and inclusive workplace. During this time, the EDI Team helped raise awareness of the diversity of our workforce - Southern HSC Trust - One Team, Many Nationalities. We hosted two drop in engagement sessions for our ethnic minorities Staff Network 'REaCH' and produced a Global Diversity Awareness Month video which was shared across numerous forms of communications.

## Employee Networks

The HSC LGBTQ+ Staff Forum has been re-energised and walked in the Pride Parade on Saturday 29 July. The HSC LGBTQ+ Staff Forum exists to support LGBTQ+ employees within the HSC and create a more LGBTQ+ inclusive work environment.



**REaCH Staff Network** is a place of support for all current and new employees from different race and ethnic minority backgrounds and allies. The network continues to grow and we have seen a 124% increase in participants from 2022.

There is regular meetings and organised events throughout the year such as Hiking, Zumba, Badminton and continued communication via the What's App grp, regular emails, meetings and drop in events. The EDI team hosted two social events – our first ever SHSCT Culture Night 2023 and a walk in Tollymore Forest Park.







## Culture Night

In April 23, staff joined together for our first ever Culture Night.

It was an evening in celebration of our International Staff and the cultural diversity within the Trust. We enjoyed some traditional foods, dress, dance and music – a great night was had by all!





**Belfast PRIDE** took place on 29 July 2023. During this time (Friday 22 July – Sunday 31 July), the EDI team took the opportunity to show support for our LGBTQ+ staff and service users and to highlight the Trust as an inclusive employer for all. To take steps

towards this we adopted the [HSC Rainbow Badge](#), to show that Southern HSC Trust is an open, non-judgemental and inclusive place for people that identify as LGBTQ+. Members of the EDI team (and Trade Union colleagues) hosted 2 engagement sessions in CAH and DHH, where Rainbow lanyards and the Rainbow Pin were available for staff.

We also used Pride to educate ourselves on how we can improve on equality of access to employment and training, provision of support and services and how we work with our colleagues identifying as LGBTQ+. A [Link & Learn LGBTQIA+ Inclusion in the Workplace](#) was hosted by Business in the Community and facilitated by [Cara-Friend](#) in July 2023.

As part of **International Men's Day** on 17 November, the EDI Team facilitated a Movember Men's Health session; delivered by Business in the Community. It included Walk & Talk Health Checks with the Trust Occupational Health team in Armagh and we welcomed the Cancer Focus Keeping Well Service, who facilitated health checks aimed at increasing awareness of how to reduce the risk of cancer and promote healthier living and lifestyles.





To help raise awareness of **International Day of Persons with Disabilities** (3 December) the EDI Team organised a number of events for staff including:

- Disability Positive Practice: Reasonable adjustments Awareness session;
- Disability Awareness Training for Managers: Equality, Diversity & Inclusion; and
- Drop-In-Clinic for Managers on Supporting Reasonable Adjustments in the workplace.

## International Women's Day

International Women's Day (IWD) took place on 8 March 2024. With 85% of our workforce female, raising awareness of IWD helps to demonstrate our commitment to creating a diverse and inclusive workplace for everyone. This year's theme was #inspireInclusion.

Some of our staff had been participating by striking the #InspireInclusion pose to show solidarity. We also used this opportunity to highlight the range of resources available in particular on Women's Health on U Matter, Menopause Awareness Information and information on the lighter weight uniforms and how to order.



## Ramadan

Ramadan took place from the evening of 10 March – 9 April 2024, with the first day of fasting from 11 March. As a Trust, we have a diverse workforce and we recognise it is important to consider our Muslim colleagues during this time, who may be observing religious customs such as fasting, to ensure they remain properly supported and safe at work. In recognition of our staff practising Ramadan, we offered a provision of light snacks in both CAH and DHH dining rooms overnight and shared information on how to support staff and colleagues throughout the month of Ramadan.



## Staff Composition by Gender

The following table provides an analysis of the number of employed staff as at 31 March 2024 by gender:

	Directors		Non-Executive Directors		Senior Staff		Other Staff		Trust Total	
	Number	%	Number	%	Number	%	Number	%	Number	%
<b>Female</b>	9	75	5	63	40	67	13,516	85	<b>13,569</b>	85
<b>Male</b>	3	25	3	37	20	33	2,376	15	<b>2,402</b>	15
<b>Total</b>	<b>12</b>		<b>8</b>		<b>60</b>		<b>15,892</b>		<b>15,971</b>	

*Senior staff is defined as Assistant Director Band 8c / Tier 3 and above but excluding Directors*

*The number of female Directors includes a Director who was on secondment from another Trust as at 31 March 2024.*

## Growing

We are supporting and developing our people so they can be the best they can be and fulfil their potential. Examples of the actions that were progressed during this year include: -



### CORE Skills for Managers training

A Task & Finish Group was established in September 2023 to develop the outline content of a CORE Skills for Managers programme. The group comprised Subject Matter Experts (SME's) and representatives from professional groupings across the Trust. Content has been drafted in preparation for roll out, however consideration is being given to re-focus the delivery of content to prepare our managers specifically to manage people through the significant organisational change expected in 2024-25. In addition, a document setting out what all our managers 'need to know and understand'; 'what they need to do'; 'what behaviours are expected'; and links to relevant resources, 'how to guides' and training, is also being developed to support and develop all managers in their roles.

### Vocational Career Pathways

A Task & Finish Group was established in December 2023 to develop a range of Vocational Workforce Career Development Pathways. The group comprised Subject Matter Experts (SME's) and representatives from professional groupings across the Trust. Pathways for Nursing, Social Care and Allied Health Professions have been drafted that outline relevant professional standards, core job descriptions, education and learning required, skills required and the relevant development pathway. Consultation is ongoing to finalise content. It is envisaged that the pathways will be promoted across the vocational workforce to increase awareness of their career choices and opportunities for development. Additional career pathways will continue to be developed and consideration is being given on how to potentially fill any gaps in existing pathways.

### Corporate Mandatory Training

As a Trust we continue to ensure that employees and managers are aware of the importance of Corporate Mandatory Training (CMT) in keeping both themselves and our service users safe whilst delivering our services. CMT compliance is shared and discussed across a variety of forums and meetings within the Trust. Managers are encouraged to include CMT Compliance on Team Meeting agendas, and we also continue to review the provision of and reporting on CMT.

Quarter end compliance reports are provided to each Directorate for dissemination throughout their services. This information is also posted on the Trust SharePoint site to allow managers and employees to check training compliance and take action as appropriate to ensure this training is up to date. Since the introduction of LearnHSCNI

in May 2023 both employees and managers can also view completions via live dashboards on the learning management system. The comparisons to the previous year's figures are outlined below: -

<b>Corporate Mandatory Training Element</b>	<b>% Compliance as at 31 March 2024</b>	<b>% Compliance as at 31 March 2023</b>	<b>Variance (%)</b>
Information Governance	87	83	+4
Cyber Security	87	76	+11
Fire Safety	70	66	+4
Safeguarding	52	77	-25*
Moving & Handling	73	62	+11
Infection Prevention & Control	78	73	+5
Equality, Good Relations & Human Rights: Making a Difference	83	65	+18
Corporate Welcome	71	39	+32

*. \*this fall in compliance is due to a change in training requirements implemented in quarter 4.*

## **Vocational Workforce Development**

As a Trust we want to ensure we have the right workforce, with the right skills, in the right place, at the right time to ensure consistent delivery of safe, high-quality services. We continue to deliver Regulated Qualification Framework (RQF) Qualifications to employees throughout the Trust to meet the needs of the service.

Following the introduction of the Department of Health (DoH) Induction and Development Standards for Maternity Support Workers (MSW) in 2023, a total of 24 MSW's commenced the new Level 3 Diploma in Healthcare support in September. This is an increase of 8 on last year. The qualification delivered by Vocational Workforce Assessment Centre is one of four components of the new MSW education programme. The new standards will provide clarity on the role and responsibilities of the MSW ensuring they are all working to agreed standards, this will have a positive impact on service improvement as well as patient safety and experience and meet the DoH standards.



We continue to offer the full remit of qualifications to the workforce. Following engagement with leads across directorate areas and staff evaluation of programmes we have reviewed the methods of delivering our programmes, including online and face to face, as well as adapting timetables to suit release of employees from the workplace. We hope these changes will have the impact of increasing numbers going forward. We have a robust quality assurance process and continue to have positive external quality assurance feedback. This year we have had a newly introduced continuous External Quality Assurance visit. This consisted of an observational assessment of an assessors practice. This was a positive experience for employees and resulted in positive feedback from the awarding organisation.

Over the past year the following groups of employees have completed an RQF Qualification:-

<b>Number</b>	<b>Employee Groups / Level of Qualification</b>
<b>30</b>	Allied Health Professional employees have completed a Level 3 or Level 4 Diploma in Healthcare & Social Care Support Skills
<b>2</b>	Domiciliary Care Workers have completed a Level 2 Award in Healthcare & Social Care Support Skills
<b>100</b>	Domiciliary Care Workers have completed a Level 2 Certificate in Healthcare & Social Care Support Skills
<b>3</b>	Employees working in MHD Directorate completed a Level 2 Qualification in Healthcare & Social Care Support Skills
<b>82</b>	Employees working in Acute Services Directorates completed a Level 3 Qualification in Healthcare & Social Care Support Skills
<b>20</b>	Employees working in OPPC & MHD Day Care, Residential & community have completed a Level 3 Diploma in Healthcare & Social Care Support Skills
<b>8</b>	Supported Living employees have completed a Level 3 Certificate in Healthcare & Social Care Support Skills
<b>6</b>	Employees working in CYPS Directorate have completed a Level 3 Diploma in Healthcare & Social Care Support Skills
<b>16</b>	Employees working in Maternity Services across the region having completed Level 3 Diploma in Healthcare & Social Care Support Services.
<b>5</b>	Employees who have completed a Level 5 supervision Unit in Healthcare & Social Care Support Skills
<b>272</b>	Total

## Placements

We successfully recommenced work experience/work placements within the Trust. With the new placement advisor in post, they, in partnership with Work Inspiration, have offered and supported placements to post primary school/colleges students. We hope to continue and grow more opportunities, promoting the Trust as an employer of choice for students.

## Trust Coaching Service

The Trust's internal Coaching Service is ongoing, and our strategic Coaching Plan 2023-24 has been implemented which included: refreshing the internal Coach Network; introducing a new Annual Agreement for Trust Coaches, strengthening the continuing professional development of coaches, refreshing our referral, monitoring and coach supervision processes and implementing a Coach Development Pathway.

The pathway outlines opportunities for development from awareness of basic coaching skills through to professional coach practitioner and subsequently coach supervision training. Employees and managers can undertake development programmes both within the Trust and externally. In addition, a 'Developing People through Conversational Coaching' resource was developed in September 2023 to support managers in beginning to make use of coaching skills to support the development of their teams.

## Inspiring Leaders Initiative



The Trust continues to provide support and development for our potential future senior leaders within the organisation. We want to ensure that these staff have the skills and are compassionate, motivated and ready to take on the challenge of becoming our future senior leaders when these opportunities arise.

Our "Inspiring Leaders" Succession Planning initiative is aimed at band 7 middle managers, supporting them get to ready to apply for a more senior role within the next 12-18 months. This initiative aimed to develop the skills and behaviours required to work at a more senior level via a supportive and engaging learning environment, with participants encouraged to engage in self-directed learning during and after the initiative.

The "Inspiring Leaders" initiative ensures participants have: -

- access to the right opportunities, exposure, stretch and development to reach their potential.
- 360° appraisal and 1:1 coaching sessions.
- a bespoke leadership development plan outlining areas for development; and
- support and commitment from their Line Manager to complete the initiative.

Following evaluation of the last cohort, responses from participants were very positive with 100% of those who responded stating that they would recommend the programme to colleagues and that they believed the initiative has had a positive effect for themselves and their team.

## Supporting our people - training and development Opportunities

The Trust want to invest in our people, recognise and encourage leaders at all levels and provide opportunities to develop collective leadership capability. A number of training and development opportunities are available to all our people. The sessions focus on areas such as health and wellbeing, relationships and behaviours and uptake across the year was as follows:-

Course Title	Number of Courses	Number of Attendees
Being an Emotionally Intelligent Leader	11	77
Having Important Conversations	10	56
The Importance of Self-Care	6	18
Looking After Our People	4	25
Conflict Bullying & Harassment	9	243
Flexible Working	9	208
Every Conversation Matters	6	92
How We Treat People Matters	6	59
Mental Health Awareness for Managers	7	140
Appraisal Skills for Managers	28	606
Interview Skills Bands 1-7	3	23
Interview Skills Band 8a and above	5	59
Whistleblowing / Raising Concerns	14	263
Absence Management	15	546
<b>Total</b>	<b>133</b>	<b>2415</b>

Additional feedback includes:-

*"I will use the things I have learnt on the Trust challenge day to now start a new quality improvement project"*

*"I have applied the interview skills gained and taken opportunity to self-reflect, I have taken into account how I present myself, and plan to make myself more visual to those around me."*

*"I have been able to tap into the knowledge and experience of my new network of support from my peers on the initiative and avail of coaching sessions to help focus on thinking around a service development idea."*

*"I have grown in confidence to challenge the thinking of others, with the ultimate goal of improving the provision of care in SHSCT and beyond."*

We have just completed our third cohort, with 20 employees from across Directorates having completed the initiative. This was delivered over a 6 month period and included a range of development opportunities including: -

- 360° appraisal feedback
- Coaching and mentoring
- Career planning
- Trust Challenge
- Masterclasses
- Interview skills and preparation

Of the current cohort of 20 employees, two participants have already secured a promotional post, with others currently in the process of application to promotional positions.

From the first two cohorts of the 33 participants involved, to date 14 of these have secured promotional posts. Several others have also moved to a different role to gain greater exposure to areas that they wish to develop further.

### **Digital Transformation**

During 2023-24 LearnHSCNI, a modern and engaging Learning Management System, which provides easy access to a wide range of training on one platform, has been successfully implemented. LearnHSCNI is accessible via the internet on any device, along with access via mobile apps for employees who are not desk based. This new system provides greater control and clarity over learning status and journeys for our workforce, for example: -

- There has been an increase in Corporate Mandatory Training (CMT) compliance which helps keep our workforce and service users safe – compliance levels have

increased from between 4% and 32% across 7 of the 8 CMT subjects since March 2023 with 3 subjects achieving over 80% compliance.

- There has been an increase in recording of completion of Appraisals – e.g., in the last quarter of this year it went from 25% in December 2023 to 36% in March 2024 (appraisal helps improve employee wellbeing, employee/manager relationships, clarifies expectations, identifies areas for improvement/focus as well as the support and development to assist the employee in their role).
- There has been an increase in user engagement – i.e., more learners using the system (approximately 16,000).
- User experience - positive feedback from learners across directorates, and their managers regarding its ease of use, manager dashboards, and how to guides, etc.
- There has been an increase in the number of internal training providers using the system (approximately 450 admins), moving us towards one central location for organisational data re learning.

There are a number of significant regional digital e-health projects e.g., Equip, Encompass and Evolve, etc currently ongoing which many staff and teams across the Trust are actively involved in. The scale of these projects is substantial, however the potential positive impact they will have, not only for our workforce but for the population we serve, demands that they are given the significant support from across all professions and directorates.

## **Accountability and Audit Report**

### **Compliance with regularity of expenditure guidance**

The Partnership Agreement (PA) between the Department of Health and the Southern HSC Trust is now in place. The PA supersedes the previous Trust Management Statement (MS) and the Financial Memorandum (FM) and all previous MS/FM arrangements have now been removed from use.

The SHSCT has in place Standing Financial Instructions (SFIs) which are further supported by finance policies and detailed financial procedures which must be kept up to date with DoH circulars as appropriate.

This overall framework is designed to ensure that the Trust has assurance that the income and expenditure recorded in its financial statements have been applied to the purposes as intended by the NI Assembly and the financial transactions recorded in the financial statements of the Trust conform to the authorities who govern them.

Both Internal Audit and External Audit provide an independent assessment of the Trust's adherence to this framework of financial governance and control, with the External Auditor providing an annual opinion on regularity within the certified financial statements of the Trust.

The Trust maintains a Gifts and Hospitality Register and there were no gifts made over the limits prescribed in Managing Public Money NI.

### **Rural Needs Act 2016**

As outlined in the Rural Needs Act 2016, the Trust has a legal duty to ensure due regard is paid to the consideration of the social and economic needs of service users in rural areas when designing and delivering our services. The Trust has implemented systems to ensure adherence to the requirements of this Act. As per correspondence received from Department of Agriculture, Environment & Rural Affairs, the Trust is preparing for reporting of information for the year 2023-24 in June 2024.



## Statement of Losses and Special Payments recognised in the year (Audited)

Losses and special payments are items of expenditure that the NI Assembly would not have contemplated when it agreed funding to the Trust. They are subject to special controls and procedures and require specific approval in accordance with limits set by the Department of Health. The limit delegated to the Trust, for approval of losses, differs depending on the type of loss, but all losses and special payments, irrespective of value, require approval by the Trust Board. Losses over a particular threshold require approval by the DoH.

Losses and special payments are reported to the Audit and Risk Assurance Committee for review and to Trust Board for approval annually. They are audited as part of the audit of the Annual Accounts.

### Losses and Special Payments (Audited)

Losses statement	2023-24	2022-23
Total number of losses	100,027	80,575
Total value of losses (£'000)	690	509

Individual losses over £300,000	2023-24	2022-23
	£'000	£'000
Cash losses	0	0
Claims abandoned	0	0
Administrative write-offs	0	0
Fruitless payment	0	0
Stores losses	0	0

Special payments	2023-24	2022-23
Total number of special payments	142	107
Total value of special payments (£'000)	10,852	9,432

Individual special payments over £300,000	2023-24	2022-23
	£'000	£'000
Compensation payments		
- Clinical Negligence	4,625	6,833
- Public Liability	0	0
- Employers Liability	0	399
- Employment Law	0	0
- Other	0	0
Ex-gratia payments	0	0
Extra contractual	0	0
Special severance payments	0	0

## Statement of Losses and Special Payments recognised in the year (continued)

Pharmacy Stock items includes the write off of expired, damaged and discontinued pharmacy stock to the value of £500k. Within this total £249k relates to expired stock and is in line with regional KPI.

Included in the number of individual special payments over £300,000 were 5 Clinical Negligence cases (2022-23: 3 Clinical Negligence and 1 Employers Liability case payments). During the year approval was received from the Department of Health for write off in respect of travel claim overpayments reported to the Southern HSC Trust in 2021-22 (£93k).

## Special Payments (Audited)

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

## Other Payments, Gifts and Estimates (Audited)

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

## Fees and Charges (Audited)

The Southern HSC Trust does not have material income generated from fees and charges.

## Long Term Expenditure

Details of long term expenditure plans are included on pages 39-40 of the Performance Report.

## Remote Contingent Liabilities (Audited)

In addition to Contingent Liabilities reported within the meaning of IAS37, (included in the Annual Accounts Note 18), the Trust also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of Contingent Liability. There are no remote contingent liabilities of which the Trust is aware.

On behalf of the Southern HSC Trust, I approve the Accountability Report encompassing the following sections:

- Governance Report
- Remuneration and Staff Report
- Accountability and Audit Report

Signed   
Dr Maria O'Kane  
Accounting Officer

Date: 02 July 2024

## **SOUTHERN HEALTH AND SOCIAL CARE TRUST – PUBLIC FUNDS**

### **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 Southern Health and Social Care Trust for the year ended 31 March 2024 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 including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

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

In my opinion the financial statements:

- give a true and fair view of the state of the group's and of the Southern Health and Social Care Trust's affairs as at 31 March 2024 and of the group's and the Southern 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 for opinions**

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

My staff and I are independent of the Southern Health and Social Care Trust in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other

ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

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

In auditing the financial statements, I have concluded that the Southern Health and Social Care Trust's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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

### **Other Information**

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

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Opinion on other matters**

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

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of 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.

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

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

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

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

As explained more fully in the Statement of Accounting Officer Responsibilities, the Trust and the Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing the Southern Health and Social Care Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Southern Health and Social Care Trust will not continue to be provided in the future.

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

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

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

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Southern Health and Social Care Trust through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Health and Personal Social Services (Northern Ireland) Order 1972, as amended;
- making enquires of management and those charged with governance on the Southern Health and Social Care Trust's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Southern Health and Social Care Trust's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and



- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business.

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

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

## **Report**

I have no observations to make on these financial statements.



*Dorinnia Carville*  
*Comptroller and Auditor General*  
*Northern Ireland Audit Office*  
*106 University Street*  
*BELFAST*  
*BT7 1EU*  
*4 July 2024*

# 4

## Financial Statements

## **Annual Accounts for the Year Ended 31 March 2024**

### **FOREWORD**

These financial statements 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.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2024

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	Trust £000s	2024 CTF £000s	Consolidated £000s	Trust £000s	2023 CTF £000s	Consolidated £000s
<b>Income</b>							
Revenue from contracts with customers	4.1	49,371	-	49,371	43,908	-	43,908
Other operating income	4.2	4,164	314	4,478	3,499	262	3,761
<b>Total Operating Income</b>		<b>53,535</b>	<b>314</b>	<b>53,849</b>	<b>47,407</b>	<b>262</b>	<b>47,669</b>
<b>Expenditure</b>							
Staff costs	3	(707,604)	-	(707,604)	(620,972)	-	(620,972)
Purchase of goods and services	3	(262,501)	-	(262,501)	(246,437)	-	(246,437)
Depreciation, amortisation and impairment charges	3	(31,892)	-	(31,892)	(26,437)	-	(26,437)
Provision expense	3	(91,656)	-	(91,656)	(9,141)	-	(9,141)
Other expenditures	3	(103,713)	(797)	(104,510)	(104,106)	(762)	(104,868)
<b>Total Operating Expenditure</b>		<b>(1,197,366)</b>	<b>(797)</b>	<b>(1,198,163)</b>	<b>(1,007,093)</b>	<b>(762)</b>	<b>(1,007,855)</b>
<b>Net Operating Expenditure</b>		<b>(1,143,831)</b>	<b>(483)</b>	<b>(1,144,314)</b>	<b>(959,686)</b>	<b>(500)</b>	<b>(960,186)</b>
Finance income	4.2	-	202	202	-	177	177
Finance expense	3	(29)	-	(29)	(1)	-	(1)
<b>Net Expenditure for the year</b>		<b>(1,143,860)</b>	<b>(281)</b>	<b>(1,144,141)</b>	<b>(959,687)</b>	<b>(323)</b>	<b>(960,010)</b>
Adjustment to net expenditure for non-cash items	21.1	124,264	-	124,264	36,125	-	36,125
<b>Net expenditure funded from RRL</b>		<b>(1,019,596)</b>	<b>(281)</b>	<b>(1,019,877)</b>	<b>(923,562)</b>	<b>(323)</b>	<b>(923,885)</b>
Revenue Resource Limit (RRL)	21.1	1,019,635	-	1,019,635	923,595	-	923,595
Add back charitable trust fund net expenditure		-	281	281	-	323	323
<b>Surplus against RRL</b>		<b>39</b>	<b>-</b>	<b>39</b>	<b>33</b>	<b>-</b>	<b>33</b>
<b>OTHER COMPREHENSIVE EXPENDITURE</b>							
<b>Items that will not be reclassified to net operating costs:</b>							
Net gain on revaluation of property, plant and equipment	5.1/ 5.2/ 7	8,655	-	8,655	21,651	-	21,651
Net gain / (loss) on revaluation of charitable assets	8	-	352	352	-	(391)	(391)
<b>TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March 2024</b>		<b>(1,135,205)</b>	<b>71</b>	<b>(1,135,134)</b>	<b>(938,036)</b>	<b>(714)</b>	<b>(938,750)</b>

The notes on pages 150 to 203 form part of these accounts.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 March 2024

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

		2024		2023	
	NOTE	Trust £000s	Consolidated £000s	Trust £000s	Consolidated £000s
<b>Non Current Assets</b>					
Property, plant and equipment	5.1/5.2	401,557	401,557	393,899	393,899
Intangible assets	6.1/6.2	9,893	9,893	11,644	11,644
Financial assets	8.0	-	5,434	-	5,082
Trade and other receivables	12.0	1,576	1,576	1,998	1,998
<b>Total Non Current Assets</b>		<b>413,026</b>	<b>418,460</b>	<b>407,541</b>	<b>412,623</b>
<b>Current Assets</b>					
Inventories	10.0	6,330	6,330	6,959	6,959
Trade and other receivables	12.0	25,245	25,021	22,254	22,105
Other current assets	12.0	4,376	4,376	4,995	4,995
Cash and cash equivalents	11.0	813	2,061	2,811	4,381
<b>Total Current Assets</b>		<b>36,764</b>	<b>37,788</b>	<b>37,019</b>	<b>38,440</b>
<b>Total Assets</b>		<b>449,790</b>	<b>456,248</b>	<b>444,560</b>	<b>451,063</b>
<b>Current Liabilities</b>					
Trade and other payables	13.0	(169,284)	(169,295)	(123,079)	(123,206)
Other liabilities	13.0	(463)	(463)	(31)	(31)
Provisions	14.0	(28,291)	(28,291)	(58,143)	(58,143)
<b>Total Current Liabilities</b>		<b>(198,038)</b>	<b>(198,049)</b>	<b>(181,253)</b>	<b>(181,380)</b>
<b>Total Assets Less Current Liabilities</b>		<b>251,752</b>	<b>258,199</b>	<b>263,307</b>	<b>269,683</b>
<b>Non Current Liabilities</b>					
Provisions	14.0	(173,235)	(173,235)	(62,667)	(62,667)
Other payables	13.0	(77)	(77)	(8)	(8)
<b>Total Non Current Liabilities</b>		<b>(173,312)</b>	<b>(173,312)</b>	<b>(62,675)</b>	<b>(62,675)</b>
<b>Total Assets less Total Liabilities</b>		<b>78,440</b>	<b>84,887</b>	<b>200,632</b>	<b>207,008</b>
<b>Taxpayers' Equity and Other Reserves</b>					
Revaluation reserve		126,256	126,256	117,739	117,739
SoCNE reserve		(47,816)	(47,816)	82,893	82,893
Other reserves – charitable trust fund		-	6,447	-	6,376
<b>Total Equity</b>		<b>78,440</b>	<b>84,887</b>	<b>200,632</b>	<b>207,008</b>

The notes on pages 150 to 203 form part of these accounts.

The financial statements on pages 146 to 203 were approved by the board on 02 July 2024 and were signed on its behalf by:

Signed: 

(Chair)

Date: 02 July 2024

Signed: 

(Chief Executive)

Date: 02 July 2024

## CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY for the year ended 31 MARCH 2024

This statement shows the movement in the year on the different reserves held by Southern HSC Trust, analysed into the SoCNE Reserve (i.e. those reserves that reflect a contribution from the DoH). 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 Southern HSC Trust, to the extent that the total is not represented by other reserves and financing items.

	NOTE	SoCNE Reserve £000s	Revaluation Reserve £000s	Charitable Fund £000s	Total £000s
<b>Balance at 1 April 2022</b>		<b>52,755</b>	<b>96,162</b>	<b>7,090</b>	<b>156,007</b>
<b>Changes in Taxpayers Equity 2022-23</b>					
Grant from DoH		989,684	-	-	989,684
Transfers between reserves		74	(74)	-	-
(Comprehensive net expenditure for the year)		(959,687)	21,651	(714)	(938,750)
Non-cash charges - auditors remuneration	3	67	-	-	67
<b>Balance at 31 March 2023</b>		<b>82,893</b>	<b>117,739</b>	<b>6,376</b>	<b>207,008</b>
<b>Changes in Taxpayers Equity 2023-24</b>					
Grant from DoH		1,012,925	-	-	1,012,925
Transfers between reserves		138	(138)	-	-
(Comprehensive net expenditure for the year)		(1,143,860)	8,655	71	(1,135,134)
Non-cash charges - auditors remuneration	3	88	-	-	88
<b>Balance at 31 March 2024</b>		<b>(47,816)</b>	<b>126,256</b>	<b>6,447</b>	<b>84,887</b>

The notes on pages 150 to 203 form part of these accounts.



## CONSOLIDATED STATEMENT OF CASHFLOW for the year ended 31 MARCH 2024

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Southern HSC Trust during the reporting period. The statement shows how the Southern 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 Southern HSC Trust. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Southern HSC Trust future public service delivery.

	NOTE	2024 £000s	2023 £000s
<b>Cash flows from operating activities</b>			
Net expenditure after interest		(1,144,141)	(960,010)
Adjustments for non-cash costs		123,573	35,527
(Increase) in trade and other receivables	12	(1,875)	(4,661)
Decrease / (Increase) in inventories	10	629	912
Increase / (Decrease) in trade payables	13	46,590	(11,866)
Movements in receivables relating to the sale of property, plant and equipment		1	-
Movements in payables relating to the purchase of property, plant and equipment		6,056	(2,451)
Movements in payables relating to the purchase of intangibles		379	164
Movements in payables relating to finance leases		(501)	(39)
Use of provisions	14	(10,940)	(9,512)
<b>Net cash outflow from operating activities</b>		(980,229)	(951,936)
<b>Cash flows from investing activities</b>			
Purchase of property, plant & equipment	5	(32,109)	(34,210)
Purchase of intangible assets	6	(2,364)	(3,358)
Proceeds of disposal of property, plant & equipment		110	115
<b>Net cash outflow from investing activities</b>		(34,363)	(37,453)
<b>Cash flows from financing activities</b>			
Grant in aid		1,012,925	989,684
Cap element of payments – finance leases and on balance sheet (SoFP) PFI and other service concession arrangements		(653)	(31)
<b>Net financing</b>		1,012,272	989,653
<b>Net increase in cash &amp; cash equivalents in the period</b>	11	(2,320)	264
<b>Cash &amp; cash equivalents at the beginning of the period</b>	11	4,381	4,117
<b>Cash &amp; cash equivalents at the end of the period</b>	11	<b>2,061</b>	<b>4,381</b>

The notes on pages 150 to 203 form part of these accounts.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### STATEMENT OF ACCOUNTING POLICIES

#### 1. Authority

These financial statements 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 contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Southern HSC Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Southern HSC Trust are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and liabilities. This includes donated assets.

#### 1.2 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 donated assets.

##### 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 Southern HSC Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; *and*

- the item has a cost of at least £5,000 *or*
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £1,000, where the assets are initial equipping costs and setting up costs of new buildings, 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

All Property, Plant and Equipment are carried at fair value.

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

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

RICS, IFRS, IVS & HM Treasury compliant asset revaluation of land and buildings for financial reporting purposes are undertaken by Land and Property Services (LPS) at least once in every five year period. Figures are then restated annually, between revaluations, using indices provided by LPS.

The last valuation was carried out on 31 January 2020 by Land and Property Services (LPS) with the next review due by 31 January 2025.

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**

Department of Finance (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)**

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

## **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.

### **1.3 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 Southern HSC 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:

<b>Asset Type</b>	<b>Asset Life</b>
Freehold Buildings	25 – 68 years
Leasehold property	Remaining period of lease
IT assets	3 – 10 years
Intangible assets	3 – 10 years
Other Equipment	3 – 15 years

#### **1.4 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.

#### **1.5 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 Southern HSC 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.

## 1.6 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 non-current 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 Southern HSC 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 Southern HSC Trust; where the cost of the asset can be measured reliably. All single items over £5,000 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 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.

## **1.7 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 through appropriate marketing at a reasonable price and the sale is considered likely to be concluded within one year. Non-current assets held for sale are 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.

## **1.8 Inventories**

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

## **1.9 Income**

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

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

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

Income is stated net of VAT.

### **1.10 Grant in aid**

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

### **1.11 Investments**

The Southern HSC Trust Charitable Trust Fund investments have been consolidated.

### **1.12 Research and Development expenditure**

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

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

### **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**

Under IFRS 16 Leased Assets which the Southern HSC Trust has use/control over and which it does not necessarily legally own are to be recognised as a "Right-Of-Use" (ROU) asset. There are only two exceptions:

- short term assets – with a life of up to one year, and
- low value assets – with a value equal to or below the Southern HSC Trust threshold limit which is currently £5,000.

### **Short term leases**

Short term leases are defined as having a lease term of 12 months or less. Any lease with a purchase option cannot qualify as a short term lease. The lessee must not exercise an option to extend the lease beyond 12 months. No liability should be recognised in respect of short-term leases, and neither should the underlying asset be capitalised.

Examples of short term leases are software leases, specialised equipment, hire cars and some property leases.

### **Low value assets**

An asset is considered “low value” if its value, when new, is less than the capitalisation threshold. The application of the exemption is independent of considerations of materiality. The low value assessment is performed on the underlying asset, which is the value of that underlying asset when new.

Examples of low value assets are, tablet and personal computers, small items of office furniture and telephones.

### **Separating lease and service components**

Some contracts may contain both a lease element and a service element. DoH bodies can, at their own discretion, choose to combine lease and non-lease components of contracts, and account for the entire contract as a lease. If a contract contains both lease and service components IFRS 16 provides guidance on how to separate those components. If a lessee separates lease and service components, it should capitalise amounts related to the lease components and expense elements relating to the service elements. However, IFRS 16 also provides an option for lessees to combine lease and service components and account for them as a single lease.

### **The Southern HSC Trust as lessee**

The ROU asset lease liability will initially be measured at the present value of the unavoidable future lease payments. The future lease payments should include any amounts for:

- Indexation;
- amounts payable for residual value;
- purchase price options;

- payment of penalties for terminating the lease;
- any initial direct costs; and
- costs relating to restoration of the asset at the end of the lease.

The lease liability is discounted using the rate implicit in the lease.

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 Southern HSC Trust surplus/deficit.

The difference between the carrying amount and the lease liability on transition is recognised as an adjustment to tax-payers equity. After transition the difference is recognised as income in accordance with IAS 20.

### **Subsequent measurement**

After the commencement date (the date that the lessor makes the underlying asset available for use by the lessee) a lessee shall measure the liability by;

- Increasing the carrying amount to reflect interest;
- Reducing the carrying amount to reflect lease payments made; and
- Re-measuring the carrying amount to reflect any reassessments or lease modifications, or to reflect revised in substance fixed lease payments.

There is a need to reassess the lease liability in the future if there is:

- A change in lease term;
- change in assessment of purchase option;
- change in amounts expected to be payable under a residual value guarantee; or
- change in future payments resulting from change in index or rate.

Subsequent measurement of the ROU asset is measured in same way as other property, plant and equipment. Asset valuations should be measured at either 'fair value' or 'current value in existing use'.

### **Depreciation**

Assets under a finance lease or ROU lease are depreciated over the shorter of the lease term and its useful life, unless there is a reasonable certainty the lessee will obtain ownership of the asset by the end of the lease term in which case it should be depreciated over its useful life.

The depreciation policy is that for other depreciable assets that are owned by the entity.

Leased assets under construction must also be depreciated.

### **The Southern HSC Trust as lessor**

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Southern HSC 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 Southern HSC Trust's net investment outstanding in respect of the leases.

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 Southern HSC Trust has no PFI transactions during the current or prior year.

## **1.16 Financial instruments**

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

The Southern HSC Trust has financial instruments in the form of trade receivables and payables and cash and cash equivalents.

### **Financial assets**

Financial assets are recognised on the Statement of Financial Position when the Southern HSC 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. IFRS 9 requires consideration of the expected credit loss model on financial assets. The measurement of the loss allowance depends upon the Southern HSC Trust's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. The amount of expected credit loss recognised is measured

on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument, where judged necessary.

Financial assets are classified into the following categories:

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

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

### **Financial liabilities**

Financial liabilities are recognised on the Statement of Financial Position when the Southern HSC 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 in creating risk than would apply to a non-public sector body of a similar size, therefore the Southern HSC Trust is not exposed to the degree of financial risk faced by business entities.

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

### **Currency risk**

The Southern HSC Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. There is therefore low exposure to currency rate fluctuations.



### **Interest rate risk**

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

### **Credit risk**

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

### **Liquidity risk**

Since the Southern HSC Trust receives the majority of its funding through its principal Commissioner which is voted through the Assembly, there is low exposure to significant liquidity risks.

## **1.17 Provisions**

In accordance with IAS 37, provisions are recognised when the Southern HSC Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Southern HSC 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 the relevant discount rates provided by HM Treasury.

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.

HM Treasury, under Public Expenditure System (PES) issued a combined nominal and inflation rate table to incorporate the two elements as included within DoH circular HSC (F) 42-2023.

Rate	Time period	Real rate
<b>Nominal</b>	Short term (0 – 5 years)	4.26%
	Medium term (5 – 10 years)	4.03%
	Long term (10 - 40 years)	4.72%
	Very long term (40+ years)	4.40%
<b>Inflationary</b>	Year 1	3.6%
	Year 2	1.8%
	Into perpetuity	2.0%

The discount rate to be applied to employee early departure obligations is 2.45% for 2023-24.

When calculating any future loss elements included within personal injury claims, a discount rate is applied by courts to a lump-sum award of damages for future financial loss in a personal injury case, to take account of the return that can be earned from investment. The rate is currently -1.5% as set (with effect from 22 March 2022) by the Government Actuary under the Damages Act 1996 as amended by the Damages (Return on Investment) Act (Northern Ireland) 2022. Under the 1996 Act as amended, the Government Actuary must begin a review of the discount rate on 1 July 2024 and conclude the review within 90 days. Any new discount rate arising from the review would not come into effect until during the 2024-25 financial year.

### 1.18 **Contingent liabilities/assets**

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

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 Southern HSC 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 Southern HSC 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 Southern HSC Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

## **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. The cost has been estimated using the responses to a survey across Southern HSC Trust managers to ascertain estimated annual leave balances to be carried forward as at 31 March 2024. Untaken flexi leave is estimated to be immaterial to the Southern HSC Trust and has not been included.

### **Retirement benefit costs**

The Southern HSC Trust participates in the HSC Pension Scheme. Under this multi-employer defined benefit scheme both the Southern HSC Trust and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DoH. The Southern HSC 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 Southern HSC Trust and charged to the Statement of Comprehensive Net Expenditure at the time the Southern HSC Trust commits itself to the retirement.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required with sufficient regularity that the amounts recognised in the financial statements do not differ materially from those determined at the reporting period date. This has been interpreted in the FReM to mean that the period between formal actuarial valuations shall be 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 scheme valuation data provided for the 2020 actuarial valuation will be used in the 2023-24 accounts. The 2020 valuation assumptions will be retained for demographics whilst financial assumptions are updated to reflect recent financial conditions.

A NEST (National Employment Saving Trust) Scheme is also in operation for employees who are not eligible to the HSC Pension Scheme and the HSC Pension Scheme 2015, with a member contribution rate of 5% in 2023-24.

### **1.20 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.

### **1.21 Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Southern HSC Trust has no beneficial interest in them. Details of third party assets are given in Note 20 to the accounts.

### **1.22 Government Grants**

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

### **1.23 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 HSC Trusts 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.

## **1.24 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 Southern HSC 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.

As far as possible, donated funds have been used by the Southern HSC Trust as intended by the benefactor. It is for the Endowments and Gifts Committee within the Trust to manage the internal disbursements. The committee ensures that charitable donations received by the Southern HSC Trust are appropriately managed, invested, expended and controlled, in a manner that is, as far as possible, consistent with the purposes for which they were given and with the Southern HSC 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.

## **1.25 Accounting standards that have been issued but have not yet been adopted**

Under IAS 8 there is a requirement to disclose those standards issued but not yet adopted.

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

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

IFRS 17 replaces the previous standard on Insurance contracts IFRS 4. The standard will be adapted for the central government context and updates made to the 2024-25 FReM, with an implementation date of the 1 April 2025.

Management currently assess that there will be minimal impact on application to the Southern HSC Trust's consolidated financial statements.

### **IFRS 18 Presentation and Disclosure in Financial Statements:**

IFRS 18 was issued in April 2024, replacing IAS 1 (Presentation of Financial Statements), and is effective for accounting periods beginning on or after 1

January 2027. IFRS 18 will be implemented, as interpreted and adapted for the public sector if required, from a future date (not before 2027-28) that will be determined by the UK Financial Reporting Advisory Board in conjunction with HM Treasury following analysis of this new standard.

Management has assessed that the impact of the revised presentation and disclosure requirements is not currently known in the context of public sector interpretation and adaptation, guidance will be available from DoH in advance of implementation.



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

	2024			Restated* 2023		
<u>Directorate</u>	Staff Costs £000s	Other Expenditure £000s	Total Expenditure £000s	Staff Costs £000s	Other Expenditure £000s	Total Expenditure £000s
Children and Young People's Services	97,495	32,281	129,776	83,846	30,030	113,876
Medicine and Unscheduled Care	128,644	49,490	178,134	124,355	47,707	172,062
Surgery and Clinical Services	162,064	47,619	209,683	142,646	49,645	192,291
Adult Community Services	132,712	104,050	236,762	108,870	96,032	204,901
Mental Health and Disability Services	107,311	100,705	208,016	95,263	93,401	188,665
Planning, Performance Management and Support Services	79,378	32,073	111,451	65,992	33,780	99,773
<b>Expenditure for Reportable Segments net of Non Cash Expenditure</b>	<b>707,604</b>	<b>366,218</b>	<b>1,073,822</b>	<b>620,972</b>	<b>350,595</b>	<b>971,567</b>
<b>Non Cash Expenditure</b>			123,573			35,527
<b>Total Expenditure per Net Expenditure Account</b>			1,197,395			1,007,094
<b>Income Per Net Expenditure Account</b>			53,535			47,407
<b>Net Expenditure</b>			1,143,860			959,687
<b>Adjustment to Net Expenditure per Note 21.1</b>			(124,264)			(36,125)
<b>Net Expenditure funded from RRL</b>			1,019,596			923,562
<b>Revenue Resource Limit</b>			1,019,635			923,595
<b>Surplus against RRL</b>			<b>39</b>			<b>33</b>

\*2023 has been restated to reflect the changes in directorate structure.

The Southern HSC 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, Chair and Chief Executive form the Trust Board which coordinates the activities of the Southern HSC 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.

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024**

### **NOTE 2 (continued) ANALYSIS OF NET EXPENDITURE BY SEGMENT**

Service costs are allocated to each of the individual Directorates based on similarity of the nature of the service provided.

In 2023-24, the Southern HSC Trust has continued to face pressures as a result of the COVID-19 pandemic. This has been allocated to each of the individual Directorates based on an analysis of the category of COVID-19 spend and the Directorate within which the spend, in the main, has been incurred.

As noted in the Governance statement on pages 68-104, an additional Director role was appointed during the year, resulting in the split of Acute Services Directorate into two separate Directorates to better respond to changing demands. These two Directorates are known as Medicine and Unscheduled Care and Surgery and Clinical Services.

As part of this reconfiguration Functional Support Services moved under the responsibility of the Executive Director of Nursing into the Nursing, Midwifery and AHP Directorate.

Older People & Primary Care Services was also renamed during the year and is now known as Adult Community Services.

Trust Board reporting during the year 2023-24 was amended to reflect the new directorate structures.

#### **Children and Young People's Services**

- Includes all health services provided for children and adolescents
- Paediatric wards and special care baby units located in Acute facilities
- Disability services including respite, CAMHS, Children Community nursing of complex needs, Dental services and Allied Health Services
- Corporate Parenting
- Family support, Early Years, Health visiting and school nursing are included together with all Sure Start Projects
- Social Services Training Unit

#### **Medicine and Unscheduled Care Directorate (formerly part of one overall Acute Directorate)**

- Medicine Division (including all medical wards on both Acute Hospital sites and all Medicine sub-specialties including Cardiology, Respiratory, Dermatology, Renal, Stroke, Diabetology/Endocrinology, Neurology, Gastroenterology and Rheumatology)

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024**

### **NOTE 2 (continued) ANALYSIS OF NET EXPENDITURE BY SEGMENT**

- Unscheduled Care (including Emergency Departments at Craigavon Area Hospital and Daisy Hill Hospital, Minor Injuries Unit at South Tyrone Hospital, Direct Assessment Unit at Daisy Hill Hospital, Medical Admissions Unit and Medical Ambulatory Unit at Craigavon Area Hospital)
- Pharmacy (Trust wide service)

These services are delivered at the Acute Hospital Sites at Craigavon Area Hospital and Daisy Hill Hospital. A Minor Injuries service is also delivered at South Tyrone Hospital.

#### **Surgery and Clinical Services (formerly part of one overall Acute Directorate)**

- Cancer and Clinical Services (includes Cancer Services, Hospital Allied Health Professionals, Laboratory & Radiology Services)
- Surgery and Elective Care (including all Surgical wards on both Acute Hospital Sites and General & Oral Surgery, ENT, Urology, Ophthalmology and Trauma & Orthopaedics Specialties. In addition it includes Anaesthetics and Theatre services on both Acute Hospital Sites and Intensive Care in Craigavon Area Hospital. The Directorate has responsibility for all Acute Hospital Administration services)
- Integrated Maternity and Women's Health (including both Hospital and Community Midwifery services and Gynaecology Services)

These services are delivered at the Acute Hospital Sites at Craigavon Area Hospital and Daisy Hill Hospital. Services including outreach clinics, day procedure services and diagnostic services are also delivered on South Tyrone Hospital Site, Lurgan Hospital Site and at Banbridge Health and Care Centre, Portadown Health and Care Centre, Kilkeel Primary Care Centre and Crossmaglen Health Centres and Armagh Community Hospital.

#### **Adult Community Services (formerly Older People and Primary Care Services)**

- Domiciliary care, residential and nursing care and dementia support
- Acute Care at Home – providing an invaluable service for our elderly population and supporting their care at home rather than in an acute setting
- District nursing and allied health professionals supporting the elderly population
- Specialist services such as family planning, continence and GP out of hours and minor injuries units and all aspects of supporting people in the community

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024**

### **NOTE 2 (continued) ANALYSIS OF NET EXPENDITURE BY SEGMENT**

- Partnership working with Voluntary and community organisations incorporating grant aid payments and community support

#### **Directorate of Mental Health and Disability Services**

- Provides a range of hospital and community services, including social services, community nursing, home treatment, crisis response, Allied Health Professionals and specialist teams
- Acute Mental Health Services and services for Learning Disability patients are provided at the Bluestone Unit, Craigavon
- Nursing & residential home, domiciliary, respite and day care services as well as support to tenants who reside in supporting people accommodation
- Trust Transport services

#### **Supporting Directorates**

- Office of the Chief Executive, including Trust wide Communication Team
- Finance, Procurement & Estates Directorate
- Human Resources & Organisational Development Directorate, (including Occupational Health)
- Planning, Performance & Informatics (IT, Corporate Planning and Performance Improvement)
- Medical Directorate (Governance Patient/Client Safety, Medical Management, Clinical Audit and Emergency Planning)
- Nursing, Midwifery and AHPs (now responsible for Functional Support Services which includes all hotel services, health records, laundry and decontamination services)
- Research & Development expenditure

The information provided above, which is provided on a Directorate basis, is the same basis on which information is provided monthly to the Trust Board for decision making purposes. The key performance objectives being measured are the targets to remain within RRL and CRL.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 3 Operating Expenses

	2024			2023		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
<b>Operating Expenses are as follows:-</b>						
Wages and salaries	578,673	-	578,673	492,024	-	492,024
Social security costs	41,123	-	41,123	42,060	-	42,060
Other pension costs	87,808	-	87,808	86,888	-	86,888
Purchase of care from non-HPSS bodies	161,917	-	161,917	149,109	-	149,109
Personal social services	46,294	-	46,294	43,354	-	43,354
Recharges from other HSC organisations	3,427	-	3,427	3,410	-	3,410
Supplies and services - Clinical	79,968	-	79,968	75,226	-	75,226
Supplies and services - General	9,801	-	9,801	11,428	-	11,428
Establishment	12,645	-	12,645	11,626	-	11,626
Transport	5,969	-	5,969	4,581	-	4,581
Premises	28,240	-	28,240	34,186	-	34,186
Bad debts	353	-	353	228	-	228
Rentals under operating leases	1,801	-	1,801	2,569	-	2,569
Interest charges	29	-	29	1	-	1
Research and Development expenditure	55	-	55	74	-	74
BSO services	6,812	-	6,812	6,440	-	6,440
Training	2,072	-	2,072	1,641	-	1,641
Professional fees	1,038	-	1,038	824	-	824
Patients travelling expenses	90	-	90	101	-	101
Other charitable expenditure	-	797	797	-	762	762
Miscellaneous expenditure	5,707	-	5,707	5,797	-	5,797

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 3 Operating Expenses (continued)

	2024			2023		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
<b>Non-cash items</b>						
Depreciation	26,934	-	26,934	24,005	-	24,005
Amortisation	3,740	-	3,740	3,609	-	3,609
Impairments	1,218	-	1,218	(1,177)	-	(1,177)
(Profit) on disposal of property, plant & equipment (excluding profit on land)	(63)	-	(63)	(118)	-	(118)
Provisions provided for in year	90,074	-	90,074	9,152	-	9,152
Cost of borrowing of provisions (unwinding of discount on provisions)	1,582	-	1,582	(11)	-	(11)
Auditors remuneration	88	8	96	67	7	74
Add back of notional charitable expenditure	-	(8)	(8)	-	(7)	(7)
<b>Total</b>	<b>1,197,395</b>	<b>797</b>	<b>1,198,192</b>	<b>1,007,094</b>	<b>762</b>	<b>1,007,856</b>

The Southern HSC Trust did not incur any charges from the Northern Ireland Audit Office in respect of the National Fraud Initiative exercise for 2023-24 (2022-23: £1,744).

Further detailed analysis of staff costs is located in the Staff Report on pages 112 to 135 within the Accountability Report.



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 4 INCOME

	2024			2023		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
<b>4.1 Revenue from contracts with Customers</b>						
GB/Republic of Ireland Health Authorities	484	-	484	526	-	526
HSC Trusts	197	-	197	116	-	116
Non-HSC:- Private patients	106	-	106	201	-	201
Non-HSC:- Other	972	-	972	1,312	-	1,312
Clients contributions	38,766	-	38,766	34,294	-	34,294
CAWT Income	145	-	145	582	-	582
Seconded Staff	1,058	-	1,058	1,763	-	1,763
Revenue from non-patient services	7,643	-	7,643	5,114	-	5,114
<b>Total</b>	<b>49,371</b>	<b>-</b>	<b>49,371</b>	<b>43,908</b>	<b>-</b>	<b>43,908</b>
<b>4.2 Other Operating Income</b>						
Other income from non-patient services	3,773	-	3,773	3,020	-	3,020
Charitable and other contributions to expenditure by core trust	4	-	4	25	-	25
Donations / Government grant / Lottery funding for non-current assets	78	-	78	92	-	92
Charitable Income received by charitable trust fund	-	314	314	-	262	262
Finance Income	-	202	202	-	177	177
Research & Development	309	-	309	362	-	362
Research & Development income released	-	-	-	-	-	-
<b>Total</b>	<b>4,164</b>	<b>516</b>	<b>4,680</b>	<b>3,499</b>	<b>439</b>	<b>3,938</b>
<b>TOTAL INCOME</b>	<b>53,535</b>	<b>516</b>	<b>54,051</b>	<b>47,407</b>	<b>439</b>	<b>47,846</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 5.1 Consolidated Property, Plant & Equipment Year Ended 31 March 2024

#### Cost or Valuation

At 1 April 2023	37,901	343,280	13,837	6,489	75,995	9,005	23,723	1,424	511,654
Indexation	-	9,215	398	-	3,294	66	-	74	13,047
Additions	120	14,138	-	1,671	8,118	631	2,389	62	27,129
Donations / Government grant / Lottery funding	-	29	-	45	-	-	-	4	78
Reclassifications	-	-	-	-	-	-	-	-	0
Transfers	-	4,623	-	(4,650)	9	-	-	1	(17)
Revaluation	-	-	-	-	-	-	-	-	0
Impairment charged to the SoCNE	-	(1,971)	-	-	(823)	(2)	-	-	(2,796)
Impairment charged to the revaluation reserve	-	(124)	-	-	(841)	-	-	-	(965)
Reversal of impairments	-	949	4	-	1	-	-	-	954
Disposals	-	-	-	-	(1,551)	(323)	-	-	(1,874)

At 31 March 2024

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
37,901	343,280	13,837	6,489	75,995	9,005	23,723	1,424	511,654
-	9,215	398	-	3,294	66	-	74	13,047
120	14,138	-	1,671	8,118	631	2,389	62	27,129
-	29	-	45	-	-	-	4	78
-	-	-	-	-	-	-	-	0
-	4,623	-	(4,650)	9	-	-	1	(17)
-	-	-	-	-	-	-	-	0
-	(1,971)	-	-	(823)	(2)	-	-	(2,796)
-	(124)	-	-	(841)	-	-	-	(965)
-	949	4	-	1	-	-	-	954
-	-	-	-	(1,551)	(323)	-	-	(1,874)
38,021	370,139	14,239	3,555	84,202	9,377	26,112	1,565	547,210

#### Depreciation

At 1 April 2023	-	40,027	1,469	-	56,057	6,241	12,784	1,177	117,755
Indexation	-	1,348	52	-	2,612	49	-	63	4,124
Reclassifications	-	-	-	-	-	-	-	-	0
Transfers	-	-	-	-	-	-	-	-	0
Revaluation	-	-	-	-	-	-	-	-	0
Impairment charged to the SoCNE	-	(100)	-	-	(676)	(1)	-	-	(777)
Impairment charged to the revaluation reserve	-	(6)	-	-	(691)	-	-	-	(697)
Reversal of impairments (indexation)	-	139	-	-	1	-	-	-	140
Disposals	-	-	-	-	(1,507)	(319)	-	-	(1,826)
Provided during the year	-	15,279	470	-	6,554	674	3,895	62	26,934

At 31 March 2024

-	40,027	1,469	-	56,057	6,241	12,784	1,177	117,755
-	1,348	52	-	2,612	49	-	63	4,124
-	-	-	-	-	-	-	-	0
-	-	-	-	-	-	-	-	0
-	-	-	-	-	-	-	-	0
-	(100)	-	-	(676)	(1)	-	-	(777)
-	(6)	-	-	(691)	-	-	-	(697)
-	139	-	-	1	-	-	-	140
-	-	-	-	(1,507)	(319)	-	-	(1,826)
-	15,279	470	-	6,554	674	3,895	62	26,934
-	56,687	1,991	-	62,350	6,644	16,679	1,302	145,653
38,021	313,452	12,248	3,555	21,852	2,733	9,433	263	401,557
37,901	303,253	12,368	6,489	19,938	2,764	10,939	247	393,899

#### Carrying Amount

At 31 March 2024

At 31 March 2023

#### Asset financing

Owned

Leased

#### Carrying Amount

At 31 March 2024

38,021	313,307	12,248	3,555	21,466	2,733	9,433	263	401,026
-	145	-	-	386	-	-	-	531
38,021	313,452	12,248	3,555	21,852	2,733	9,433	263	401,557

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 5.1 (Continued) Consolidated Property, Plant & Equipment Year Ended 31 March 2024

	£000s
Of which:	
Trust	401,557
Charitable Trust Funds	-

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 £662k (2022-23: £30k).

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

	2024 £000s	2023 £000s
Donations	78	92

RICS, IFRS, IVS & HM Treasury compliant asset revaluation of land and buildings for financial reporting purposes are undertaken by Land and Property Services (LPS) at least once in every five year period. Figures are then restated annually, between revaluations, using indices provided by LPS. The last asset revaluation was carried out on 31 January 2020 by Land and Property Services (LPS) with the next review due by 31 January 2025.

Valuations were carried out on the 31 January 2024 by the following registered valuers Kelly Scullion MRICS and Collette Quinn MRICS. The following assets were valued: Ramone Building Ground Floor and 1F Ward, Keady Day Centre and Bessbrook Clinic.

LPS have advised that since the last revaluation exercise was undertaken, the risks to the client's land and building portfolio as a result of ongoing global fiscal, economic and political factors have lessened significantly. The rate of inflation is falling and is

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 5.1 (Continued) Consolidated Property, Plant & Equipment Year Ended 31 March 2024

predicted to hit the Bank of England's target of 2% in early 2025 and interest rates would appear to have peaked for the foreseeable future. Whilst the cost of living crisis remains an issue predicted energy price reductions over the coming months should ease some of the pressure on household budgets and lead to more positive economic sentiment, injecting much needed confidence into markets. Currently most sectors across the Northern Ireland property market are experiencing sufficient levels of transactional activity on which to base opinion, negating the need to declare Material Uncertainty and an improving economic outlook will help to sustain this position. The Southern HSC Trust is required to undertake a full revaluation of its asset portfolio in 2025 so an earlier requirement is no longer necessary.

See Accounting Policy note 1.2 for more details of valuation of Property, Plant & Equipment.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 5.2 Consolidated Property, Plant & Equipment Year Ended 31 March 2023

	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
<b>Cost or Valuation</b>									
At 1 April 2022	35,121	296,141	13,687	3,030	65,659	8,861	21,749	1,346	445,594
Opening Balance Adjustment IFRS 16	-	69	-	-	-	-	-	-	69
Restated Opening Balance	35,121	296,210	13,687	3,030	65,659	8,861	21,749	1,346	445,663
Indexation	-	21,488	1,124	-	7,929	485	-	15	31,041
Additions	2,780	19,104	-	9,116	2,843	414	2,263	49	36,569
Donations / Government grant / Lottery funding	-	50	-	42	-	-	-	-	92
Reclassifications	-	5,407	(984)	(5,698)	1,281	-	(18)	12	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	34	(1)	(1)	(734)	(134)	9	2	(825)
Impairment charged to the SoCNE	-	(1,870)	-	-	(179)	-	-	-	(2,049)
Impairment charged to the revaluation reserve	-	(472)	-	-	(361)	-	-	-	(833)
Reversal of impairments	-	3,329	11	-	20	-	-	-	3,360
Disposals	-	-	-	-	(463)	(621)	(280)	-	(1,364)
At 31 March 2023	<b>37,901</b>	<b>343,280</b>	<b>13,837</b>	<b>6,489</b>	<b>75,995</b>	<b>9,005</b>	<b>23,723</b>	<b>1,424</b>	<b>511,654</b>

#### Depreciation

At 1 April 2022	-	24,357	964	-	46,078	6,028	8,715	1,110	87,252
Indexation	-	2,427	107	-	5,998	341	-	12	8,885
Reclassifications	-	59	(59)	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	32	-	-	(732)	(142)	6	-	(836)
Impairment charged to the SoCNE	-	(110)	-	-	(148)	-	-	-	(258)
Impairment charged to the revaluation reserve	-	(28)	-	-	(300)	-	-	-	(328)
Reversal of impairments (indexation)	-	376	1	-	15	-	-	-	392
Disposals	-	-	-	-	(456)	(621)	(280)	-	(1,357)
Provided during the year	-	12,914	456	-	5,602	635	4,343	55	24,005
At 31 March 2023	-	<b>40,027</b>	<b>1,469</b>	-	<b>56,057</b>	<b>6,241</b>	<b>12,784</b>	<b>1,177</b>	<b>117,755</b>
<b>Carrying Amount</b>									
At 31 March 2023	<b>37,901</b>	<b>303,253</b>	<b>12,368</b>	<b>6,489</b>	<b>19,938</b>	<b>2,764</b>	<b>10,939</b>	<b>247</b>	<b>393,899</b>
At 31 March 2022	<b>35,121</b>	<b>271,784</b>	<b>12,723</b>	<b>3,030</b>	<b>19,581</b>	<b>2,833</b>	<b>13,034</b>	<b>236</b>	<b>358,342</b>

#### Asset financing

Owned	37,901	303,214	12,368	6,489	19,938	2,764	10,939	247	393,860
Leased	-	39	-	-	-	-	-	-	39
<b>Carrying Amount</b>									
At 31 March 2023	<b>37,901</b>	<b>303,253</b>	<b>12,368</b>	<b>6,489</b>	<b>19,938</b>	<b>2,764</b>	<b>10,939</b>	<b>247</b>	<b>393,899</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 6.1 Consolidated Intangible Assets Year Ended 31 March 2024

	Software Licenses	Other	Total
	£000s	£000s	£000s
<b>Cost or Valuation</b>			
At 1 April 2023	20,912	-	20,912
Additions	1,985	-	1,985
Reclassifications	17	-	17
Impairment charged to the SoCNE	(31)	-	(31)
Disposals	-	-	-
	<b>22,883</b>	-	<b>22,883</b>
At 31 March 2024			
<b>Amortisation</b>			
At 1 April 2023	9,268	-	9,268
Impairment charged to the SoCNE	(18)	-	(18)
Disposals	-	-	-
Provided during the year	3,740	-	3,740
	<b>12,990</b>	-	<b>12,990</b>
At 31 March 2024			
<b>Carrying Amount</b>			
At 31 March 2024	<b>9,893</b>	-	<b>9,893</b>
At 31 March 2023	<b>11,644</b>	-	<b>11,644</b>
<b>Asset financing</b>			
Owned	9,893	-	9,893
<b>Carrying Amount</b>			
At 31 March 2024	<b>9,893</b>	-	<b>9,893</b>

There were no assets funded by Donations/Government Grant or Lottery Funding during the year (2022-23: £Nil).



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 6.2 Consolidated Intangible Assets Year Ended 31 March 2023

	Software Licenses	Other	Total
	£000s	£000s	£000s
<b>Cost or Valuation</b>			
At 1 April 2022	17,798	-	17,798
Additions	3,194	-	3,194
Disposals	(80)	-	(80)
At 31 March 2023	<b>20,912</b>	<b>-</b>	<b>20,912</b>
<b>Amortisation</b>			
At 1 April 2022	5,739	-	5,739
Disposals	(80)	-	(80)
Provided during the year	3,609	-	3,609
At 31 March 2023	<b>9,268</b>	<b>-</b>	<b>9,268</b>
<b>Carrying Amount</b>			
At 31 March 2023	<b>11,644</b>	<b>-</b>	<b>11,644</b>
At 31 March 2022	<b>12,059</b>	<b>-</b>	<b>12,059</b>
<b>Asset financing</b>			
Owned	11,644	-	11,644
<b>Carrying Amount</b>			
At 31 March 2023	<b>11,644</b>	<b>-</b>	<b>11,644</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 7 IMPAIRMENTS

	Property, Plant & Equipment £000s	2024	
		Intangibles £000s	Total £000s
Impairments charged to Statement of Comprehensive Net Expenditure	1,205	13	1,218
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	268	-	268
<b>Total value of impairments for the period</b>	<b>1,473</b>	<b>13</b>	<b>1,486</b>
	Property, Plant & Equipment	2023	
		Intangibles	Total
Impairments (credited) to Statement of Comprehensive Net Expenditure	(1,177)	-	(1,177)
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	505	-	505
<b>Total value of impairments for the period</b>	<b>(672)</b>	<b>-</b>	<b>(672)</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 8 FINANCIAL INSTRUMENTS

As the cash requirements of the Southern HSC Trust are met through Grant-in-Aid provided by the DoH, 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 Southern HSC Trust's expected purchase and usage requirements and the Southern HSC Trust is therefore exposed to little credit, liquidity or market risk.

	2024			2023		
	Non-Current Assets	Assets	Liabilities	Non-Current Assets	Assets	Liabilities
	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April	5,082	-	-	5,473	-	-
Additions	-	-	-	-	-	-
Revaluations	352	-	-	(391)	-	-
Balance at 31 March	<b>5,434</b>	-	-	<b>5,082</b>	-	-
Trust	-	-	-	-	-	-
Charitable Trust Fund	5,434	-	-	5,082	-	-
	<b>5,434</b>	-	-	<b>5,082</b>	-	-

The only other financial instruments held by the Trust as at 31 March 2024 are trade receivables, cash and trade payables. Details of these can be seen in Notes 11, 12 and 13 respectively. The situation also applied in 2022-23.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 9 MARKET VALUE OF INVESTMENTS

#### NOTE 9.1 Market value of investments as at 31 March 2024

	Held in UK £000s	Held outside UK £000s	2024 Total £000s	2023 Total £000s
Investments in a Common Deposit Fund or Investment Fund	5,434	-	5,434	5,082
<b>Total market value of Fixed asset investments</b>	<b>5,434</b>	<b>-</b>	<b>5,434</b>	<b>5,082</b>

#### NOTE 9.2 Analysis of expected timing of discounted flows

	2024			2023		
	Non-Current Assets £000s	Assets £000s	Liabilities £000s	Non-Current Assets £000s	Assets £000s	Liabilities £000s
Not Later than one year	1,500	-	-	5,082	-	-
Later than one year and not later than five years	3,934	-	-	-	-	-
	<b>5,434</b>	<b>-</b>	<b>-</b>	<b>5,082</b>	<b>-</b>	<b>-</b>

### Investments

The Northern Ireland Central Investment Fund for Charities (NICIFC) continues to hold funds invested on behalf of the Southern HSC Trust Charitable Trust Funds. The net market value of funds invested with the NICIFC at 31 March 2024 was £5,434k.

The investments saw a gain of £352k in 2023-24 compared to a loss of £391k in the prior year.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 10 INVENTORIES

Classification	2024			2023		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Pharmacy supplies	4,319	-	4,319	4,371	-	4,371
Building & engineering supplies	177	-	177	173	-	173
Fuel	334	-	334	289	-	289
Community care appliances	362	-	362	333	-	333
Laboratory materials	510	-	510	733	-	733
Laundry	113	-	113	80	-	80
Other	515	-	515	980	-	980
<b>Total</b>	<b>6,330</b>	<b>-</b>	<b>6,330</b>	<b>6,959</b>	<b>-</b>	<b>6,959</b>

Other includes stock of £67k (2023: £537k) for personal protective equipment due to the COVID-19 pandemic.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 11 CASH AND CASH EQUIVALENTS

	2024			2023		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Balance at 1 April	2,811	1,570	4,381	2,530	1,587	4,117
Net change in cash and cash equivalents	(1,998)	(322)	(2,320)	281	(17)	264
<b>Balance at 31 March</b>	<b>813</b>	<b>1,248</b>	<b>2,061</b>	<b>2,811</b>	<b>1,570</b>	<b>4,381</b>

The following balances at 31 March were held at

	2024			2023		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Commercial banks and cash in hand	813	1,248	2,061	2,811	1,570	4,381
<b>Balance at 31 March</b>	<b>813</b>	<b>1,248</b>	<b>2,061</b>	<b>2,811</b>	<b>1,570</b>	<b>4,381</b>

### NOTE 11.1 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2023 £000s	Cash Flows £000s	Acquisition £000s	2024 £000s	2022 £000s	Opening Balance Adjustment £000s	Restated 2022 £000s	Cash Flows £000s	Other Changes £000s	2023 £000s
Lease Liabilities	39	(653)	1,154	540	-	69	69	(31)	1	39
<b>Total Liabilities from Financing activities</b>	<b>39</b>	<b>(653)</b>	<b>1,154</b>	<b>540</b>	<b>-</b>	<b>69</b>	<b>69</b>	<b>(31)</b>	<b>1</b>	<b>39</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 12 TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS

	Trust £000s	CTF £000s	2024 Consolidation Adjustments £000s	Consolidated £000s	Trust £000s	CTF £000s	2023 Restated Consolidation Adjustments £000s	Consolidated £000s
<b>Amounts falling due within one year</b>								
Trade receivables	14,995	-	-	14,995	13,020	-	-	13,020
VAT receivable	7,156	-	-	7,156	8,263	-	-	8,263
Other receivables - not relating to fixed assets	3,093	78	(302)	2,869	971	76	(225)	822
Other receivables – relating to property, plant and equipment	1	-	-	1	-	-	-	-
<b>Trade and other receivables</b>	<b>25,245</b>	<b>78</b>	<b>(302)</b>	<b>25,021</b>	<b>22,254</b>	<b>76</b>	<b>(225)</b>	<b>22,105</b>
Prepayments	4,376	-	-	4,376	4,995	-	-	4,995
<b>Other current assets</b>	<b>4,376</b>	<b>-</b>	<b>-</b>	<b>4,376</b>	<b>4,995</b>	<b>-</b>	<b>-</b>	<b>4,995</b>
<b>Amounts falling due after more than one year</b>								
Trade receivables	1,576	-	-	1,576	1,998	-	-	1,998
<b>Trade and other receivables</b>	<b>1,576</b>	<b>-</b>	<b>-</b>	<b>1,576</b>	<b>1,998</b>	<b>-</b>	<b>-</b>	<b>1,998</b>
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<b>26,821</b>	<b>78</b>	<b>(302)</b>	<b>26,597</b>	<b>24,252</b>	<b>76</b>	<b>(225)</b>	<b>24,103</b>
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>4,376</b>	<b>-</b>	<b>-</b>	<b>4,376</b>	<b>4,995</b>	<b>-</b>	<b>-</b>	<b>4,995</b>
<b>TOTAL RECEIVABLES, FINANCIAL AND OTHER ASSETS</b>	<b>31,197</b>	<b>78</b>	<b>(302)</b>	<b>30,973</b>	<b>29,247</b>	<b>76</b>	<b>(225)</b>	<b>29,098</b>

The balances are net of a provision for bad debts of £5,587k (2023: £5,464k).

The Southern HSC Trust did not have any intangible current assets at 31 March 2024 or at 31 March 2023.



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 13 TRADE PAYABLES, FINANCIAL AND OTHER LIABILITIES

	2024				2023			
	Trust £000s	CTF £000s	Consolidation Adjustments £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidation Adjustments £000s	Consolidated £000s
<b>Amounts falling due within one year</b>								
Other taxation and social security	26,574	-	-	26,574	32,936	-	-	32,936
Trade capital payables - property, plant and equipment	12,534	-	-	12,534	18,590	-	-	18,590
Trade capital payables – intangibles	248	-	-	248	627	-	-	627
Trade revenue payables	31,435	-	-	31,435	21,881	-	-	21,881
Payroll payables	78,208	-	-	78,208	20,912	-	-	20,912
Clinical negligence payables	2,793	-	-	2,793	5,785	-	-	5,785
BSO payables	1,118	-	-	1,118	1,399	-	-	1,399
Other payables	953	313	(302)	964	4,066	352	(225)	4,193
Accruals	15,421	-	-	15,421	16,883	-	-	16,883
<b>Current trade and other payables</b>	<b>169,284</b>	<b>313</b>	<b>(302)</b>	<b>169,295</b>	<b>123,079</b>	<b>352</b>	<b>(225)</b>	<b>123,206</b>
Current part of lease liabilities	463	-	-	463	31	-	-	31
<b>Other Current Liabilities</b>	<b>463</b>	<b>-</b>	<b>-</b>	<b>463</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>31</b>
<b>Total Payables falling due within one year</b>	<b>169,747</b>	<b>313</b>	<b>(302)</b>	<b>169,758</b>	<b>123,110</b>	<b>352</b>	<b>(225)</b>	<b>123,237</b>
<b>Amounts falling due after more than one year</b>								
Lease liabilities	77	-	-	77	8	-	-	8
<b>Total non current other payables</b>	<b>77</b>	<b>-</b>	<b>-</b>	<b>77</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>8</b>
<b>TOTAL TRADE PAYABLES, FINANCIAL AND OTHER LIABILITIES</b>	<b>169,824</b>	<b>313</b>	<b>(302)</b>	<b>169,835</b>	<b>123,118</b>	<b>352</b>	<b>(225)</b>	<b>123,245</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 14 PROVISIONS FOR LIABILITIES AND CHARGES – 2024

	Pensions relating to other staff	Clinical negligence	Other	2024 Total
	£000s	£000s	£000s	£000s
<b>Balance at 1 April 2023</b>	27	97,670	23,113	120,810
Provided in year	-	56,513	50,429	106,942
(Provisions not required written back)	(27)	(16,667)	(174)	(16,868)
(Provisions utilised in the year)	(1)	(10,656)	(283)	(10,940)
Cost of borrowing (unwinding of discount)	1	1,296	285	1,582
<b>At 31 March 2024</b>	<b>-</b>	<b>128,156</b>	<b>73,370</b>	<b>201,526</b>

Provisions have been made for 7 types of potential liability: Clinical Negligence, Employer's and Occupier's Liability, Injury Benefit, Employment Law, Holiday Pay, Pay Modernisation and Senior Executive's pay.

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, for each individual case, based on professional legal advice with Periodic Payment Order (PPO) calculations based on estimated life expectancy data provided by professional legal advisors. For Holiday Pay the Trust has estimated an appropriate level of provision on the basis of the duration of the claims and the application of a regionally agreed estimated payment percentage of the total expenditure incurred on affected allowances. Pay Modernisation and Senior Executive's pay have been estimated based on the information available at the end of March 2024 in respect of individual claims.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 14 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2024

#### Clinical Negligence

Where a finding of clinical negligence has been made, the Trust has relied on professional legal advice to estimate an appropriate level of provision, for each individual case, with Periodic Payment Order (PPO) calculations based on estimated life expectancy data.

A discount rate is applied by courts to a lump-sum award of damages for future financial loss in a personal injury case, in order to take account of the return that can be earned from investment. The rate is currently -1.5% (with effect from 22 March 2022) set by the Government Actuary under the Damages Act 1996 as amended by the Damages (Return on Investment) Act (Northern Ireland) 2022.

Under the 1996 Act as amended, the Government Actuary must begin a review of the discount rate on 1 July 2024 and conclude the review within 90 days. Any new discount rate arising from the review would not come into effect until during the 2024-25 financial year.

#### Holiday Pay Liability

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for holiday pay shortfall can be taken back to 1998. The PSNI appealed the CoA judgement to the Supreme Court and the hearing concluded on 15 December 2022. A judgement was handed down on 4 October 2023 confirming claimants are able to bring their claims under the 'unlawful deductions' provisions of the Employment Rights (Northern Ireland) Order 1996 and can thus claim in respect of a series of deductions potentially going back as far as 1998. The Trust provision at 31 March 2024 reflects this time frame. HSC has retrospective and prospective liabilities arising from this outcome.

The HSC working group considering resolution of the liabilities has indicated that the final solution is likely to be a number of years away as it will require system change and, in the meantime, discussions are ongoing with trade unions in respect of an interim solution. In light of industrial action and the ongoing legal cases, there have been delays in Trade Unions discussions regarding settlement of the historic liability and the interim solution.

The Trust in calculating this provision has used the following estimates and assumptions:

- The provision has been estimated based on our knowledge of settlements of retrospective liabilities that have been made in other

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 14 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2024

jurisdictions. The provision has been estimated back to 1998-99 based on the outcome of the Supreme Court judgement.

- Defined wage types have been used to determine the provision using data from 2014-15 following the introduction of the current HRPTS system.
- A further estimate has been added for the impact of other potential contractual liabilities.
- For the years 1998-99 to 2013-14 an annual average has been calculated based on the defined wage types using the three years 2014-15 to 2016-17.
- This annual average has been adjusted for agreed pay agreements under Agenda for Change for changes in staffing.
- Actual staff numbers are available from 2008-09, when the Review of Public Administration (RPA) took place.
- An assumption has been made on the annual changes in staff numbers from 1998-99 to 2007-08. The assumption being a 1% increase per annum, which has been applied to the annual average for each relevant year.
- The balance has then been subject to discounting to determine the net present value of the provision.
- The provision does not include any late payment interest which may be required to be paid over to claimants.

The key areas of uncertainty include:

- The reliability of the data used.
- The terms of the settlement which is subject to negotiations and agreement with Trade Unions.
- The uptake rate for current or past employees.
- The extent of attrition in the workforce.
- Delays in the time it will take to administer the payments, once agreed.
- The extent to which interest will apply.

The overall impact has been to increase this provision from £20.9m in 2022-23 to £68.2m.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 14 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2024

#### Pay Modernisation and Senior Executive Pay

A number of staff have challenged the banding of their job and the Trust has reflected any anticipated liability as a mix of accruals and provisions on the basis of actions and outcomes in-year in individual cases and their consequential impacts.

Senior HSC Executives had raised a legal challenge to their pay arrangements and the additional potential costs were accrued at 31 March 2023.

Whilst the Trust maintains the accounting treatment applied to these cases in 2022-23 was appropriate given the information available at the time, this has been reviewed for 2023-24. In particular it has become clear that the issue of Senior Executive Pay will not now be resolved as swiftly as anticipated previously.

Given the level of uncertainty around the timing of some liabilities has increased, it is therefore deemed more appropriate to treat them as a provision under IAS 37 at 31 March 2024. The best estimate of the value of the liability is still considered to be in line with the principles set out in the original accounting treatment, with discounting to present value applied as appropriate.

<b>Comprehensive Net Expenditure Account charges</b>	<b>2024 £000s</b>	<b>2023 £000s</b>
Arising during the year	106,942	46,567
Reversed unused	(16,868)	(37,415)
Cost of borrowing (unwinding of discount)	1,582	(11)
<b>Total charge within Operating expenses</b>	<b>91,656</b>	<b>9,141</b>

#### Analysis of expected timing of discounted flows

	<b>Pensions relating to other staff</b>	<b>Clinical negligence</b>	<b>Other</b>	<b>2024 Total</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Not later than one year	-	24,553	3,738	28,291
Later than one year and not later than five years	-	85,613	68,649	154,262
Later than five years	-	17,990	983	18,973
<b>At 31 March 2024</b>	<b>-</b>	<b>128,156</b>	<b>73,370</b>	<b>201,526</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 14 PROVISIONS FOR LIABILITIES AND CHARGES – 2023

	Pensions relating to other staff	Clinical negligence	Other	2023 Total
	£000s	£000s	£000s	£000s
<b>Balance at 1 April 2022</b>	47	118,000	3,134	121,181
Provided in year	-	24,607	21,960	46,567
(Provisions not required written back)	(18)	(36,475)	(922)	(37,415)
(Provisions utilised in the year)	(1)	(8,485)	(1,026)	(9,512)
Cost of borrowing (unwinding of discount)	(1)	23	(33)	(11)
<b>At 31 March 2023</b>	<b>27</b>	<b>97,670</b>	<b>23,113</b>	<b>120,810</b>

#### Analysis of expected timing of discounted flows

	Pensions relating to other staff	Clinical negligence	Other	2023 Total
	£000s	£000s	£000s	£000s
Not later than one year	1	57,356	786	58,143
Later than one year and not later than five years	5	13,835	21,230	35,070
Later than five years	21	26,479	1,097	27,597
<b>At 31 March 2023</b>	<b>27</b>	<b>97,670</b>	<b>23,113</b>	<b>120,810</b>

### NOTE 15 CAPITAL AND OTHER COMMITMENTS

	2024 £000s	2023 £000s
Contracted commitments at 31 March not otherwise included in these financial statements		
Property, Plant & Equipment	360	1,348
	<b>360</b>	<b>1,348</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 16 COMMITMENTS UNDER LEASES

#### Note 16.1 Quantitative disclosures around right-of-use assets

	Buildings £000s	Plant and Machinery (Equipment) £000s	Total £000s
<b>Cost of valuation</b>			
At 1 April 2023	69	-	69
Additions	189	965	1,154
<b>At 31 March 2024</b>	<b>258</b>	<b>965</b>	<b>1,223</b>
<b>Depreciation expense</b>			
At 1 April 2023	30	-	30
Charged in year	83	579	662
<b>At 31 March 2024</b>	<b>113</b>	<b>579</b>	<b>692</b>
<b>Carrying amount at 31 March 2024</b>	<b>145</b>	<b>386</b>	<b>531</b>
<b>Carrying amount at 31 March 2023</b>	<b>39</b>	<b>-</b>	<b>39</b>
<b>Interest charged on IFRS16 Assets</b>	<b>6</b>	<b>23</b>	<b>29</b>



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### Note 16.2 Quantitative disclosures around lease liabilities

#### Maturity analysis

	2024 £000s	2023 £000s
<b>Buildings</b>		
Not later than one year	75	31
Later than one year and not later than five years	79	8
	<b>154</b>	<b>39</b>
Less Interest Element	7	-
Present Value of obligations	147	39
<b>Other</b>		
Not later than one year	397	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	397	-
Less Interest Element	4	-
Present Value of obligations	393	-
<b>Total present value of obligations</b>	<b>540</b>	<b>39</b>
Current portion	463	31
Non-Current portion	77	8

### Note 16.3 Quantitative Disclosures around elements in the Statement of Comprehensive Net Expenditure

	2024 £000s	2023 £000s
Other lease payments	-	-
Sub-leasing income	-	-
Expense related to short-term leases	31	1,162
Expense related to low-value asset leases (excluding short-term leases)	1,770	1,407
<b>Total</b>	<b>1,801</b>	<b>2,569</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 16 (continued) COMMITMENTS UNDER LEASES

#### Note 16.4 Quantitative disclosures around cash outflow for leases

	<b>2024 £000s</b>	<b>2023 £000s</b>
Total cash outflow for lease	682	31

#### Note 16.5 Operating Leases

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

Obligations under operating leases issued by the Southern HSC Trust comprise:

	<b>2024 £000s</b>	<b>2023 £000s</b>
<b>Land and Buildings</b>		
Not later than 1 year	305	278
Later than 1 year and not later than 5 years	645	576
Later than 5 years	747	1,097
	<b>1,697</b>	<b>1,951</b>

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024**

### **NOTE 17 COMMITMENTS UNDER PFI AND OTHER SERVICE CONCESSION ARRANGEMENT CONTRACTS**

#### **Note 17.1 PFI and other service concession arrangement schemes deemed to be off-balance sheet (SoFP)**

The Southern HSC Trust has no off-balance sheet (SoFP) PFI and other service concession arrangement schemes.

#### **Note 17.2 'Service' element of PFI and other service concession arrangement schemes deemed to be on-balance sheet (SoFP)**

The Southern HSC Trust has no on balance sheet (SoFP) PFI and other service concession arrangements schemes.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 18 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.

#### Contingent Liabilities

	2024 £000s	2023 £000s
Clinical Negligence	1,094	1,202
Employers' Liability	169	132
Public Liability	37	15
Other	13	27
<b>Total</b>	<b>1,313</b>	<b>1,376</b>

#### Unquantifiable Contingent Liabilities

##### Employment Issues

The Southern HSC Trust is aware of a number of legal cases which may arise in respect of the HMRC Widening Access Training Scheme. The Southern HSC Trust is working closely with the Tribunal to ascertain the impact which these cases may have but are not in a position at this stage to quantify the liability (if any) and will keep the outcomes of these cases under close review.

##### Employment Tribunals

HSC Trusts may have open Tribunal Cases where a liability has not yet been established and cannot be quantified. In particular the Trusts are aware of a number of linked employment tribunal cases lodged by Trade Unions on behalf of their members in respect of remuneration for 'Sleep-ins'. These are night shifts where staff sleep at a Trust premises and work on an 'as-called-upon' basis throughout the night. A single test case in respect of the NHSCT was heard during 2023-24, and while the action failed it is to be appealed. This matter will be kept under close review as the case progresses during 2024-25.

##### Clinical Excellence

The Clinical Excellence scheme recognised the contribution of consultants who show commitment to achieving the delivery of high quality care to patients and to the continuous improvement of Health and Social Care. There were 12 levels of award;

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 18 (continued) CONTINGENT LIABILITIES

lower awards (steps 1-8) were made by local (employer) committees, and higher awards were recommended by the Northern Ireland Clinical Excellence Awards Committee (NICEAC). Self-nomination was, however, the only method of application within the scheme. After consultations, the Department of Health (DoH) decided that from the 2013/14 awards round and onwards, no new clinical excellence awards (higher or lower) would be made to medical and dental consultants. This decision has been subject to legal challenge. An agreement has been reached through mediation for the design and implementation of a future scheme. DoH is continuing to work on this in conjunction with the BMA. Any scheme will require Ministerial approval and a period of public consultation prior to introduction. Whilst the current litigation has been paused, it has not been withdrawn, and therefore the legal case has continued to be treated as a contingent liability at 31 March 2024. At this stage, it is not possible to determine the amount and timing of the financial impact, if any.

#### Statutory Public Inquiry

The Statutory Independent Public Inquiry into Urology Services in the Southern HSC Trust is currently ongoing. There may be a possible future liability for potential claims from patients in relation to their care and treatment. There are presently 31 urology claims against the Southern HSC Trust. The potential for liability is currently unclear and any financial impact unquantifiable at present.

#### Holiday Pay Liability

The Trust has made provision of the potential liability, back to 1998, for claims for shortfalls to staff in holiday pay. However, the extent to which the liability may exceed this amount remains uncertain as the calculations will rely on the outworkings of the Supreme Court judgement and will have to be agreed with Trade Unions.

Uncertainty also exists in relation to whether interest or any other uplift is payable on the sums due to the Claimants to reflect the effluxion of time. This matter is not agreed and therefore no provision has been made in Note 14.

#### Continuing Healthcare

The DoH Continuing Healthcare (CHC) Policy relates to the assessment of whether a person's care needs can be met outside of an acute hospital setting and whether they may be liable to be assessed in respect of contributing towards the costs for their care. A Judicial Review was brought by a service user in nursing care, against Belfast Health and Social Care Trust to challenge the policy and the BHSC application of it. The High Court judgement highlighted that the criteria and threshold for when a person

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024**

### **NOTE 18 (continued) CONTINGENT LIABILITIES**

should pay for their care is unclear and operates differently between Health Trusts. The judicial review also challenged a change to the policy, introduced in February 2021, and instructed that all decisions on eligibility for the last 3 years should be reviewed.

#### **NOTE 18.1 FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT**

The DoH is in the process of considering the judgement and its implications for the policy and its application. All Trusts are awaiting revised guidance in order to be able to identify service users who may meet the criteria and quantify the associated costs.

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 Southern HSC Trust has not entered into any quantifiable guarantees, indemnities or provided letters of comfort, at either 31 March 2024 or 31 March 2023.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 19 RELATED PARTY TRANSACTIONS

The Southern HSC Trust is an Arm's length body of the DoH and as such the Department is a related party with which the Southern HSC Trust has had various material transactions during the year.

- Funding – Revenue Resource Limit of £1,019,635k (2023: £923,595k)

During the year, none of the board members, members of key management or other related parties has undertaken any material transactions with the Southern HSC Trust, apart from the transactions with the Department noted.

Interests in the following organisations were declared by Non-Executive, Executive and other Directors and recorded on the Southern HSC Trust Register of Interests. Where an interest is disclosed, the related party is not involved directly in the award of a contract with the related organisation.

The interests declared and the value of the related party transactions was as follows:

Mrs Pauline Leeson, Chief Executive of Children in Northern Ireland. The value of transactions between related parties was: Southern HSC Trust paid £68,767 (2022-23: £102,758) in respect of a Development Officer Post which supports the Locality Planning Groups linked to the Southern HSC Trust Outcomes. Balance outstanding at year end was £Nil (2022-23: £6,000).

Mrs Pauline Leeson is also an independent member of the NIHE Board. The value of transactions between related parties was: Southern HSC Trust paid £8,175 (2022-23: £9,262) in respect of rent and for employees' Court Order deductions. Balance outstanding at year end was £Nil (2022-23: £363). Southern HSC Trust received income of £1,512,710 (2022-23: £1,665,257) in respect of Supported Living Schemes.

Mrs Pauline Leeson was not involved in the procurement of either of these contracts.

Mrs Liz Ensor has a close relative who is a shareholder of MD Healthcare Ltd. The value of transactions from 1 January 2024 (start date of Non-Exec appointment) to 31 March 2024 between related parties was £758,696 in respect of nursing and residential care provision. The transactions were made on terms equivalent to those that prevail in arm's length transactions.

The Southern HSC Trust Charitable Trust Funds have made revenue and capital payments to the Southern HSC Trust where the Trustees are also members of the Southern HSC Trust Board. In 2023-24, the Southern HSC Trust Charitable Trust



## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024**

### **NOTE 19 (continued) RELATED PARTY TRANSACTIONS**

Funds paid £494,775 (2022-23: £147,298) to the Southern HSC Trust and owed £302,118 (2022-23: £226,005) to the Southern HSC Trust as at 31 March 2024. The Southern HSC Trust Charitable Trust Funds received £10,611 (2022-23: £Nil) from the Southern HSC Trust during 2023-24 and was owed £Nil (2022-23: £1,361) from the Southern HSC Trust.

### **NOTE 20 THIRD PARTY ASSETS**

The Southern HSC Trust held £12,257k cash at bank, cash in hand and investments at 31 March 2024 (31 March 2023: £11,380k) which relates to monies held by the Southern HSC Trust on behalf of patients. This has been excluded from the cash at bank and in hand figure reported in the accounts. A separate audited account of these monies is maintained by the Southern HSC Trust at pages 204-210.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 21 FINANCIAL PERFORMANCE TARGETS

#### NOTE 21.1 Revenue Resource Limit

The Southern HSC Trust is given a Revenue Resource Limit (RRL) which it is not permitted to overspend. The Southern HSC Trust is required to ensure that it breaks even on an annual basis by containing its net expenditure to within 0.25% of the final agreed RRL limits or £20k whichever is the greater.

The Revenue Resource Limit (RRL) for the Southern HSC Trust is calculated as follows:

	<b>2024 Total £000s</b>	<b>2023 Total £000s</b>
DoH – Strategic Planning and Performance Group	1,001,939	905,978
Public Health Agency	9,002	8,681
Northern Ireland Medical and Dental Training Agency	6,420	6,402
SUMDE	2,274	2,534
<b>Total</b>	<b>1,019,635</b>	<b>923,595</b>
<b>Revenue Resource Limit Expenditure</b>		
Net Expenditure per SoCNE	1,143,860	959,687
<b>Adjustments</b>		
Research and Development under ESA10	(706)	(571)
Depreciation	(26,934)	(24,005)
Amortisation	(3,740)	(3,609)
Impairments	(1,218)	1,177
Notional Charges	(88)	(67)
Movements in Provisions	(91,656)	(9,141)
Income received re Donations / Government Grant / Lottery Funding for non-Current Assets	78	92
<b>Total Adjustments</b>	<b>(124,264)</b>	<b>(36,125)</b>
<b>Net Expenditure Funded from RRL</b>	<b>1,019,596</b>	<b>923,562</b>
Surplus against RRL	39	33
Surplus as percentage of RRL	0%	0%

For non-cash expenditure the Southern HSC Trust has remained within the budget control limit it was issued for 2023-24.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 21.2 Financial Performance Targets less deficit funding

For the year ended 31 March 2024 the Trust received £41.3million non-recurrent funding from the Department of Health to address the deficit that would otherwise have occurred.

	<b>2024 £000s</b>
Revenue Resource Limit (RRL)	1,019,635
Less deficit funding received	<u>(41,300)</u>
	<b><u>978,335</u></b>
Net Expenditure Funded from RRL	1,019,596
Surplus/(Deficit) against RRL	<u>(41,261)</u>

### NOTE 21.3 Capital Resource Limit

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

	<b>2024 Total £000s</b>	<b>*Restated 2023 Total £000s</b>
<b>CRL Allocated From:</b>		
Department of Health – Investment Directorate	29,434	40,752
<b>Total CRL received</b>	<b><u>29,434</u></b>	<b><u>40,752</u></b>
<b>Capital Resource Limit Expenditure</b>		
Capital expenditure per additions in asset notes	29,192	39,855
Charitable trust fund capital expenditure	(78)	(92)
Net Book Value of disposals	(48)	(7)
<b>Adjustments to add items not capitalised in accounts (i.e expensed through SoCNE) but funded via CRL</b>		
Adjustment for R&D under ESA10	706	571
<b>Other</b>		
Prepayment for Capital Scheme	106	424
Release of Prior Year Prepayment of Capital Scheme	(447)	-
<b>Net Capital Expenditure Funded from CRL</b>	<b><u>29,431</u></b>	<b><u>40,751</u></b>
<b>Surplus/(Deficit) against CRL £</b>	<b><u>3</u></b>	<b><u>1</u></b>

*\*2023 figures have been restated as per guidance issued by the Department of Health*

## **NOTE 22 POST BALANCE SHEET EVENTS**

There are no post balance sheet events having a material impact on the financial statements.

## **AUTHORISATION FOR ISSUE**

The Accounting Officer authorised these financial statements for issue on 04 July 2024.

**ACCOUNT OF MONIES HELD ON BEHALF OF  
PATIENTS/RESIDENTS**

**YEAR ENDED 31 MARCH 2024**

## **ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS**

**YEAR ENDED 31 MARCH 2024**

### **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 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.

## ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

### YEAR ENDED 31 MARCH 2024

#### 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 Southern Health and Social Care Trust's account of monies held on behalf of patients and residents for the year ended 31 March 2024 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 Southern Health and Social Care Trust for the year ended 31 March 2024 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 for opinions

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

My staff and I are independent of the Southern Health and Social Care Trust in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Revised Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

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

##### Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Southern Health and Social Care Trust's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Southern



Health and Social Care Trust 's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### **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.

#### **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 in accordance with the applicable financial reporting framework and for being satisfied that they properly present the receipts and payments of the monies held on behalf of the patients and residents;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and
- assessing the Southern Health and Social Care Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trust anticipates that the services provided by the Southern Health and Social Care Trust will not continue to be provided in the future.

#### **Auditor's responsibilities for the audit of the account**

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

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

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

My procedures included:


- obtaining an understanding of the legal and regulatory framework applicable to the Southern Health and Social Care Trust through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Health and Personal Social Services (Northern Ireland) Order 1972, as amended;
- making enquires of management and those charged with governance on the Southern Health and Social Care Trust's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Southern Health and Social Care Trust's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business.

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

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

## Report

I have no observations to make on this account.

A handwritten signature in dark ink, reading "Dorinnia Carville". The script is cursive and fluid, with the first name "Dorinnia" written in a larger, more prominent hand than the surname "Carville".

*Dorinnia Carville*  
*Comptroller and Auditor General*  
*Northern Ireland Audit Office*  
*106 University Street*  
*BELFAST*  
*BT7 1EU*  
*4 July 2024*

# ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

## YEAR ENDED 31 MARCH 2024

Previous Year	<u>RECEIPTS</u>		
£	Balance at 1 April 2023	£	£
8,603,597	1. Investments (at cost)	9,120,688	
2,488,821	2. Cash at Bank	2,256,272	
2,994	3. Cash in Hand	3,397	11,380,357
11,095,412			
3,831,161	Amounts Received in the Year	3,920,636	
16,402	Interest Received	266,133	4,186,769
<b>14,942,975</b>	<b>TOTAL</b>		<b>15,567,126</b>

<u>PAYMENTS</u>			
3,562,618	Amounts paid to or on Behalf of Patients/Residents		3,309,802
	Balance at 31 March 2024		
9,120,688	1. Investments (at Cost)	9,886,771	
2,256,272	2. Cash in Bank	2,366,648	
3,397	3. Cash in Hand	3,905	12,257,324
11,380,357			
<b>14,942,975</b>	<b>TOTAL</b>		<b>15,567,126</b>

Cost Price £	Schedule of investments held at 31 March 2024	Nominal Value £	Cost Price £
9,120,688	Bank of Ireland	9,886,771	9,886,771

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

Director of Finance: 

Date: 02 July 2024

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

Chief Executive: 

Date: 02 July 2024