

Memorandum

To: Trust Board Members
From: Ms Catherine Teggart, Director of Finance, Procurement & Estates
Date: 19 June 2025
Subject: **Consideration of Losses for Write off**

In accordance with the Southern Health and Social Care Trust's Standing Financial Instructions, I enclose a schedule of losses totalling £9,368k for the year ended 31 March 2025 for recommendation to Trust Board for approval (Appendix 1). These were reviewed by the Audit and Risk Assurance Committee on 15 May and have been subject to audit by NIAO.

The losses are detailed under specific headings as follows:

- Cash Losses – Overpayments of salaries, wages and allowances;
- Cash Losses – Other Causes;
- Claims abandoned – Waived or abandoned claims;
- Administrative write-offs - Bad debts;
- Fruitless Payments - Late payment of commercial debt;
- Stores Losses – Other stores losses;
- Special Payments - Compensation payments for Clinical Negligence, Public Liability, Employers Liability;
- Ex-Gratia Payments and compensation payments made under the direction of the Ombudsman.

The losses disclosed within each of these categories are described below.

- Cash Losses – Overpayments of salaries and wages. The loss of £9K is made up of 52 cases of salary overpayments written off and, 2

cases of cash losses. All write offs are under the threshold for DoH approval.

- Claims abandoned – There were no waived or abandoned claims for the year 24-25.
- Bad debts. The loss of £178k for the year to 31 March 2025 is predominantly made up of debt which the Trust debt panel has concluded is irrecoverable and where debt has been uneconomical to pursue.

The bad debt is analysed as follows:

Description of Debt	Amount (£)	Reason for write off
Financial Assessments Debt	565	Debts > 6 years old Statute barred
Financial Assessments Debt	7,204	Clients deceased – Estate administered or Nil Value
Financial Assessments Debt	123,050	Considered by Trust debt panel as irrecoverable for a variety of reasons, all options for recovery exhausted.
Financial Assessments Debt	8,251	Clients deceased, with signed agreement to pay forms - no next of kin
Financial Assessments Debt	3,650	Inaccurate / incomplete information
Financial Assessments Debt	4,704	Debts < £250 each and uneconomic to pursue
Financial Assessments Debt	(211)	Write offs reversed
Chargeable Patient Debt	1,265	Debts > 6 years old Statute barred
Chargeable Patient Debt	11,996	Debts > £200 and uneconomic to pursue
Chargeable Patient Debt	5,045	Debts < £200 and uneconomic to pursue
Other	735	Debts > 6 years old Statute barred
Other	164	Debts < £50 and uneconomic to pursue
Other	366	Other

Salary Debt	10,208	Salary debt > £1,000
Salary Debt	1,967	Salary debt < £1,000

The above comprises debts that are uneconomic to pursue given their value and age; debts that cannot be pursued due to insufficient information; and others that have been considered by the Department of Legal Services and/or the Trust debt recovery panel, and on which further action is considered fruitless.

Approval for write off has been confirmed by the Department of Health for 2 Financial Assessments debt cases to the value of £32K.

The debts written off had been fully provided for in previous financial years, therefore there is no impact on the net expenditure account in 2024-25.

- Fruitless payments – There was one fruitless payment for the year 24-25 in relation to a late debt payment of £100.
- Stores Losses - Includes the write-off of expired, damaged, and discontinued pharmacy stock to the value of £477k. Within this total £199k relates to expired stock.
- Special Payments - Compensation payments in respect of Clinical Negligence, Employers Liability claims and Other special payments. These payments do not follow a specific trend and are determined by the progress of the relevant legal case and the timing of settlement. Payments in excess of £250k were made/are due in relation to 3 clinical negligence cases.
- Ex Gratia Payments of £6k is made up of 10 payments made to patients and staff in respect of lost and damaged personal property. The balance includes 3 payments to reimburse fraudulent payments made by trust employees on behalf of Supported Living tenants. These payments were made following a NIPSO investigation. The Ex Gratia balance also includes 2 credit balances brought forward from 23-24 totalling -£2,155, the first relates to an over accrual of lost hearing aids and the second is an accrual for an estimated loss that has since been stepped down.
- Extra contractual – There were no extra contractual payments made in the year 24-25.

The above losses have been subjected to and controlled by Southern Health and Social Care Trust's detailed procedures and will be subject to External Audit as part of the audit of the Annual Accounts.

The format of the Annual Report disclosure requirement for Losses and Special Payments is a summarised form of the above detail. The Statement of Losses which will be published in the Accountability and Audit Report is also attached at Appendix 2 for ease of reference.

Catherine Teggart
Director of Finance, Procurement & Estates

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APPENDIX 1

SOUTHERN HEALTH AND SOCIAL CARE TRUST

SCHEDULE OF LOSSES FOR YEAR ENDED 31 MARCH 2025

Losses and Special Payments

Type of loss and special payment	2024-25		2023-24	
	Number of Cases	£	Number of Cases	£
Cash losses				
Cash Losses - Overpayments of salaries, wages and allowances	54	585	3	9,349
Cash Losses - Other causes	0	0	0	0
	54	585	3	9,349
Claims abandoned				
Waived or abandoned claims	0	0	0	0
	0	0	0	0
Administrative write-offs				
Bad debts	460	178,959	694	180,545
	460	178,959	694	180,545
Fruitless payments				
Late Payment of Commercial Debt	1	100	1	87
Other fruitless payments and constructive losses	0	0	0	0
	1	100	1	87
Stores losses				
Other stores losses	114,040	484,572	99,329	500,034
	114,040	484,572	99,329	500,034
Special Payments				
Compensation payments:				
Clinical Negligence	141	7,316,043	109	10,655,896
Public Liability	2	45,195	0	0
Employers Liability	27	593,322	12	98,583
Employment Law	6	730,196	0	0
Other special payments	4	12,778	9	88,354
	180	8,697,534	130	10,842,833
Ex-gratia payments	10	5,750	12	9,270
Extra contractual	0	0	0	0
TOTAL	114,745	9,367,500	100,169	11,542,118

Special Payments

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

Losses and Special Payments over £300,000

Losses and Special Payments over £300,000	2024-25		2023-24	
	Number of Cases	£	Number of Cases	£
Stores Losses				
Other Store Losses	0	0	0	0
Special Payments				
Compensation payments :				
Clinical Negligence	3	2,852,955	5	4,625,000
Public Liability	0	0	0	0
Employers Liability	0	0	0	0
Employment Law	0	0	0	0
Other special payments	0	0	0	0
	3	2,852,955	5	4,625,000
TOTAL	3	2,852,955	5	4,625,000

*Extract from Accountability and Audit Report***SHSCT - Statement of Losses and Special Payments**

Year Ended 31 March 2025

Losses Statement	2024-25	2023-24
Total Number of Losses	114,555	100,027
Total Value of Losses (£000)	664	690

Individual losses over £300,000	2024-25	2023-24
	£000	£000
Cash losses	0	0
Claims abandoned	0	0
Administrative write-offs	0	0
Fruitless payments	0	0
Stores losses	0	0

Special Payments	2024-25	2023-24
Total number of special payments	190	142
Total value of special payments (£000)	8,703	10,852

Individual Special Payments over £300,000	2024-25	2023-24
	£000	£000
Compensation payments		
- Clinical Negligence	2,853	4,625
- Public Liability	0	0
- Employers Liability	0	0
- Employment Law	0	0
- Other	0	0
Store Losses	0	0
Ex-gratia payments	0	0
Extra contractual	0	0
Special severance payments	0	0
Total special payments	2,853	4,625

Other Payments

There were no other payments made during the year.