

ANNEX D

DoH ARM'S LENGTH BODY: MID-YEAR ASSURANCE STATEMENT

This statement concerns the condition of the system of internal governance in *the Southern Health and Social Care Trust* as at **30 September 2025**.

The scope of my responsibilities as Accounting Officer for *Southern Health and Social Care Trust*, the overall assurance and accountability arrangements surrounding my Accounting Officer role, the organisation's business planning and risk management, and governance framework, remain as set out in the Governance Statement which I signed on *29th May 2025*. The purpose of this mid-year assurance statement is to attest to the continuing effectiveness of the system of internal governance. In accordance with Departmental guidance, I do this under the following headings.

1. Governance Framework

The Governance framework as described in the most recent Governance Statement continues in operation. Trust Board and its seven Committees:- Audit and Risk Assurance; Governance; Remuneration and Terms of Service; Charitable Trust Funds; Strategy and Transformation; Finance, Performance and Workforce and Patient and Service User Experience have continued to meet and to discharge their assigned business, thus enabling effective corporate governance arrangements to be maintained. Minutes of their meetings, together with Trust Board meeting minutes and the Committee Chairs' reports to Trust Board are available for Departmental inspection to further attest to this.

2. Assurance Framework

An approved Integrated Governance and Assurance Framework 2024-27, which operates to maintain, and help provide reasonable assurance of the effectiveness of controls, is in effect. This framework brings together in one place all of the relevant information on the risks to the Trust's strategic objectives and how assurance is obtained, including the utilisation of the three lines of assurance. It outlines the Trust Board's structure and processes for integrated

governance and specifies the organisational and accountability arrangements that ensure fulfilment of the Trust Board's responsibilities.

3. Risk Register

As part of the board-led system of risk management, I confirm that the Senior Leadership Team review the Corporate Risk Register on a monthly basis at its Risk and Assurance meeting and act as the filter for risk issues from Directorate Risk Registers for entry onto the Corporate Risk Register. The updated Corporate Risk Register is provided to two Trust Board Committees, namely Audit and Risk Assurance Committee and Governance Committee whose responsibilities are clearly defined. The Audit and Risk Assurance Committee provides assurance to Trust Board on the appropriateness of Risk Register operation whilst the Governance Committee provides assurance to Trust Board on the appropriateness of Risk Register contents. Any significant risks are escalated to the Trust Board.

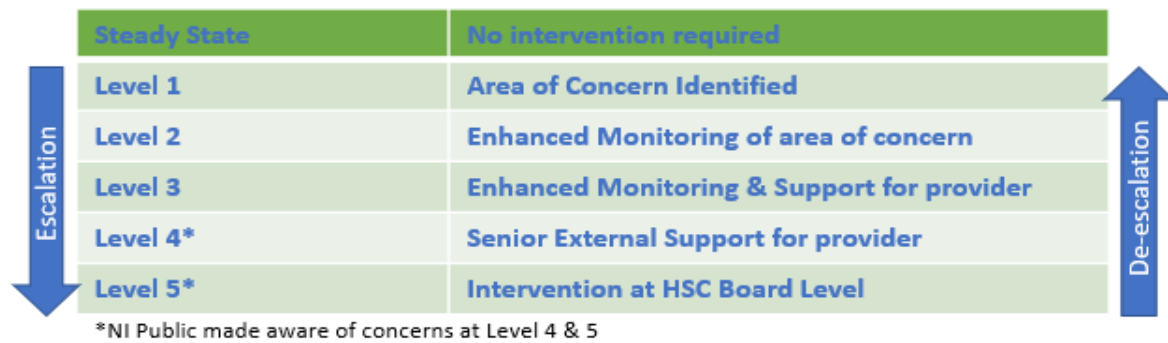
I confirm that risk management systems/processes are in place throughout the organisation.

In addition, I confirm that Information Risk continues to be managed and controlled as part of this process.

4. Performance against Business Plan Objectives/Targets

I confirm satisfactory progress towards implementation of the HSC Support and Intervention Framework (SIF) issued to all Trusts at the end of October 2024. The SIF sets out the Department of Health's approach for gaining assurance from HSC organisations in relation to the delivery of ministerial priorities and other key deliverables as set out in the Strategic Outcomes Framework and associated SOMS and specifically outlines the approach to support and intervention where there are matters of concern that need to be addressed.

Its intention is to ensure early identification of emerging issues and concerns, so that they can be addressed before they have a material impact or performance deteriorates further. The framework outlines five levels of escalation that provide a model for support and intervention by Department of Health (DoH)/ Strategic Planning & Performance Group (SPPG)/ Public Health Agency (PHA), from Level 1 (Area of Concern Identified) to Level 5 (Intervention at HSC Board level). In monitoring the identified escalation areas, bi-monthly accountability escalation meetings are held between the SPPG and the Trust.



Currently the Trust is managing escalations within levels 1-3 with no current Level 4 or 5 escalations. Trust Board is routinely updated on the current escalations under management with the agreed SIF reporting framework.

I also confirm satisfactory progress towards implementation of objectives and targets set by out in the DoH SPPG Strategic Outcomes Framework (SOF) and System Oversight Measures (SOMs), incorporated into the Strategic Priorities 2024/25 document issued to the HSC in July 2024.

The Framework focuses around 9 thematic outcomes and supporting key indicators, all of which provide a population accountability of the system which depicts the condition of health and wellbeing that we want to achieve for the whole population based on an outcome-based accountability approach.

Monitoring and reporting arrangements became effective from 1 April 2025 and it was proposed that, from the same date, the extant HSC Service Delivery Plan (SDP) and associated monitoring and reporting arrangements would cease.

SOMs have been structured around 6 key domains (outlined below) to provide a more comprehensive view of current issues and challenges:

- Performance;
- Safety & Quality;
- Finance & Governance;
- Efficiency & Productivity;
- Access Improvement & Tackling Health Inequalities; and
- Workforce

The Trust has reported on 24 of the metrics in quarter 1 of 2025/26 to SPPG, as required, and has provided a low level of confidence in the data, in acknowledgement that the Trust is still very much in the stabilisation phase post implementation of encompass on 8 May 2025. The

Finance Performance and Workforce Committee has also been updated on the Trust's performance relative to quarter 1 and confidence levels in the activity reported. The Trust will continue to validate SOMs quarterly in line with SPPG agreed reporting timeframes.

The implementation of encompass has meant that resources were required to be diverted to support the stabilisation programme with the focus on understanding the factors that impact activity data. This is a necessary step to ensure activity completed is recorded correctly on the system and is visible before resuming a formal performance focus. Activity Stabilisation is the use of pre-encompass activity data (as defined and agreed with all operational teams) to compare against encompass data to understand objectively if we're on track for stabilising after such a major cultural change.

A series of collaborative formal and informal investigative meetings with encompass, EPIC and operational teams continue to support an understanding of why services appear to be off-track (either over or under performing). This approach will help to provide additional support to these services to assist them on their journey to stabilisation and improve the level of confidence in the data within the EPIC system. A fortnightly Executive Update has and continues to be presented to SLT on progress towards activity stabilisation. While challenges remain the Trust's position at week 15 (21 August 2025) was positive with the majority of acute services on a trajectory towards pre-encompass baselines. A formal report will be presented to SLT in December 2025 outlining any services unable to return to baselines and will include a full assessment with valid reasons and actions taken to understand and fully inform this assessment this will support formal conversations with SPPG.

While unscheduled care pressures continues to challenge flow, the Trust, through its Timely Care Project continues to work to mitigate the impact across the four key identified pillars:

- Admissions avoidance
- Timely Care (Flow)
- Discharge
- Enablers

The Project is managed through the Trust's RISE Programme Board.

5. Finance

I confirm that proper financial controls are in place with the exception of those areas subsequently identified in sections 6 to 13 of this report, to enable me to ensure value for money, propriety, legality and regularity of expenditure and contracts under my control, manage my organisation's budget, protect any financial assets under my care and achieve maximum utilisation of my budget to support the achievement of financial targets.

I confirm compliance with the principles set out in MPMNI and the Financial Memoranda which includes:

- safeguarding funds and ensuring that they are applied only to the purposes for which they were voted.
- seeking Departmental approval for any expenditure outside the delegated limits in accordance with Departmental guidance.
- preparation of business cases for all expenditure proposals in line with FD(DoF)11/20 Better Business Cases NI and Departmental guidance and ensuring that the organisation's procurement, projects, and processes are systematically evaluated and assessed.
- accounting accurately for the organisation's financial position and transactions.
- securing goods and services through competitive means unless there are convincing reasons to the contrary, which following the impact of the pandemic situation and capacity constraints within the approved Centre of Procurement Expertise (CoPE), BSO PaLS, has meant increased use of Direct Award Contracts (DACs); and
- procurement activity should be carried out by means of a Service Level Agreement with a recognised and approved Centre of Procurement Expertise (CoPE)

The adequacy and effectiveness of these controls are regularly reviewed by Internal and External Audit.

6. Information Governance – General Data Protection Regulation (GDPR) & Data Protection Act (DPA) 2018

I can confirm that my organisation has taken appropriate steps and is carrying out the necessary actions to ensure ongoing compliance with GDPR and DPA 2018.

7. Environmental, Medical Device Management and Estates Infrastructure Safety Governance (Trusts only)

In respect to Environmental, Medical Device Management and Estates Infrastructure Safety Governance, I confirm that my organisation has controls in place to enable it to meet the requirements of all extant statutory obligations upon it, that it complies with all standards, policies and strategies set by the Department and all applicable guidance set by other parts of government. Any significant control divergences are reported below together with an outline of action plans in place to address these divergences.

8. Conflict, Bullying and Harassment operational policy and the Raising a Concern in the Public Interest (Whistleblowing) HSC Framework (Trusts only)

In respect of the Conflict, Bullying and Harassment operational policy and the Raising a Concern in the Public Interest (Whistleblowing) HSC Framework, I confirm that my organisation has in place clear, up to date and fit for purpose operational policies and procedures in place in respect of both policy areas. Appropriate levels of Board oversight and scrutiny of the Raising a Concern in the Public Interest (Whistleblowing) Policy is undertaken by the Trust Governance Committee which is a sub-committee of Trust Board.

The Trust Board will be reviewing the formal committee oversight and scrutiny of both the Conflict, Bullying and Harassment operational policy and the Raising a Concern in the Public Interest (Whistleblowing) policies as part of a Trust Board workshop taking place in October 2025.

9. External Audit Reports

I confirm that action is being taken on implementing all of the External Auditor's accepted recommendations. There are four recommendations, three priority two and one priority three. The four commendations relate to the following areas:

- Direct Award Contracts
- Fixed asset Register
- Amounts owed for untaken Annual leave
- Holiday Pay Provision

Progress on the implementation of all external audit recommendations as detailed in the Report to those charged with Governance is reviewed regularly at Audit and Risk Assurance Committee meetings, with the most recent review taking place on 9th October 2025.

10. Internal Audit

To date, Internal Audit has issued the following reports in 2025/26:

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE PROVIDED BY INTERNAL AUDIT
Non Pay Expenditure	Satisfactory - controls within Mental Health and Disability Directorate and retained Finance.
Client Monies in Independent Sector Nursing Homes (inc Adult Supported Living Services)	Satisfactory: 6 of 7 Homes/facilities Limited: 1 of 7 Homes/facilities
Medical Recruitment and Retention	Limited
Claims Management 2025/26	Satisfactory
Clinical Audit 2025/26	Satisfactory

During their mid-year follow up, Internal Audit found that 84% of the Trust's outstanding internal audit recommendations examined were fully implemented, a further 14% were partially implemented and 2% were not implemented at the time of review.

The Trust has a system in place to track progress on the implementation of all outstanding internal audit recommendations in conjunction with Internal Audit. The Trust's Internal Audit Forum remains in place to monitor and review outstanding audit recommendations on a regular basis and reports monthly into the SLT Risk and Assurance Group.

Progress in implementing Internal Audit recommendations is also reviewed and robustly challenged at each meeting of the Audit and Risk Assurance Committee with an additional ARAC meeting scheduled on 30th October to spend time examining all outstanding internal audit recommendations in detail with Directors.

BSO INTERNAL AUDIT: SHARED SERVICE AUDITS

BSO Internal Audit carry out a programme of Financial and Recruitment Shared Service audit assignments as part of the BSO Internal Audit Plan. The recommendations in these reports are the responsibility of BSO Management to take forward and the reports are presented to BSO Governance & Audit Committee. As customers of BSO Shared Services, the final reports are shared with all HSC organisations.

The following 2025/26 audits have been finalised:

Shared Service Audit	Assurance
Accounts Payable Shared Services	Satisfactory
Accounts Receivable Shared Services	Satisfactory

11. RQIA and Other Reports

I confirm implementation of the accepted recommendations made by RQIA and confirm that SHSCT has processes in place to record, monitor, and report on RQIA suggested areas for improvement. Work has progressed in the Trust so that there is a central repository of the RQIA recommendations.

The Trust has been working with the Department of Health (including SPPG and other Trusts) on a regional RQIA Short Life Working Group to develop processes to gain assurance that RQIA Review Recommendations are implemented. It was planned that a cleansed list of regional RQIA reports that remained open for monitoring would be sent to Trusts, but meetings to agree regional process for this to provide a finalised list of RQIA reports are not yet complete. In the interim, the Trust has agreed internal Trust processes for both implementation of new RQIA recommendation reports and provision of corporate oversight of open RQIA reports. These Trust processes will then be merged with the new regional process when it is finalised.

12. NI Audit Office Self-Assessment Checklist

I confirm completion of the NIAO Self-Assessment Checklist and that an action plan will be implemented to address any issues. I also confirm that any relevant issues will be reported to the Department.

13. Board Governance Self-Assessment Tool

On 1st January 2025 the Trust had four new Non-Executive Directors appointed replacing four Non-Executive Directors whose tenure ended on 31st December 2024. The Permanent Secretary, Department of Health at the time agreed that the Southern Health and Social Care Trust Board Governance and Self-Assessment could be deferred to the 2025/2026 year to allow for a bedding in period of the new Board. I confirm that the SHSCT will be completing its Board Governance Self-Assessment for 2025/26 and will be trialling the Public Health Agency Board Effectiveness Self-Assessment Tool. This work will be concluded by end December 2025. I confirm that action plans will be implemented to address any issues. I also confirm that any relevant issues will be reported to the Department.

14. Internal Control Divergences

I confirm that my organisation meets and has in place controls to enable it to meet, the requirements of all extant statutory obligations, that it complies with all standards, policies and strategies set by the Department; the conditions and requirements set out in the MSFM, other Departmental guidance and guidelines and all applicable guidance set by other parts of government. Any significant control divergences are reported below.

10. Internal Governance Divergences

The Trust has considered and reported the following significant internal governance issues during the reporting period: Prior Year Issues – **Resolved**

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 and has been enhanced through the RISE Timely Care Programme. This is clinically led, managerially supported and data driven, focusing on four implementation pillars which include Overnight Admission Avoidance including Same Day Emergency Care, Timely Care to include effective ward processes and timely diagnostics and Timely Discharge. However, in line with the anticipated growth in over 65's in the Southern 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.

The Trust's facilities which do not comply with Health Technical Memoranda (HTM) or Health Building Note (HBN) including lack of isolation facilities can contribute to extended length of

stay in ED due to limited side room availability and transmission of infection can lead to increased length of stay. Medical ambulatory/ same day emergency care 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). 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 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 medical Locums. As part of the workforce stabilization project, the Medicine and Unscheduled Care (MUSC) Directorate has made significant improvement in recruiting nursing staff against vacancies with a reduction in nursing agency usage. The Trust has successfully recruited a number of consultants across a number of medical specialties which will start to stabilise the workforce and reduce reliance of medical locums. Further medical recruitment is planned to further stabilise the medical workforce on the two acute hospital sites.

• **Recruitment**

As we approach the mid-year point we are seeing a continuation of ongoing work in terms of attracting staffing across all disciplines to improve on the workforce deficits and assisting managers with staffing challenges across various job families. As the trust works towards stabilising the workforce, recruitment is focused on reducing agency spend across the frameworks for the remainder of the 2025-26 academic year. The HR resource dedicated to individual work placements has continued to be diverted to assist with resourcing programmes in relation to the reduction of agency spending aligned with financial plan. Significant work has been completed in addressing the onboarding of registered and unregistered bank staff onto the Nurse bank and we will hopefully see the benefit of this over the coming months. As a recruitment team we will focus on using the intelligence and analytics to work towards a faster and more efficient onboarding experience. Regionally a piece of work is underway to reform Nurse Banks with a view to ensuring we develop and promote the use of our bank to reduce and ultimately eliminate the use of agency shifts with a view to significant cost reduction on our flexible workforce. Our Southern HSC Trust jobs Facebook page continues to prove effective in assisting with raising the profile of the Trust and particular posts which are difficult to fill and is supporting targeted bespoke campaigns to support areas where there are specific workforce challenges, including medical roles, admin roles, nursing support roles and social care support roles.

Significant progress has been made in relation to recruitment of registered nurses and we are currently focusing on securing posts for our Autumn 2025 Nursing graduates, alongside

bespoke campaigns to stabilise the nursing workforce for particular areas such as ED and Theatres. Currently Mental Health Inpatient wards are receiving two International Nurses via the regional International Recruitment Framework. We are currently recruiting to our Nurse Bank as a measure to reduce agency. Recruitment of the medical workforce remains challenging in a number of medical specialties, as outlined below. Work has progressed regionally on the introduction of a new medical and dental agency framework to support us with on-framework locum cover and to assist in reducing the overall cost of medical locum cover. The new medical and dental framework will be one part of overall regional and local plans to stabilise the medical workforce over the next two to three years, alongside greater system working around recruitment and retention of the medical workforce, allocation of resident doctors, and medical workforce planning.

Psychiatry: The Trust has fourteen adult consultant psychiatry vacancies across mental health and intellectual disability community and hospital services. Vacancies are partially supported by locum cover which is itself of limited availability. There are vacancies in specialist consultant psychiatry roles: forensic psychiatry, addiction psychiatry and perinatal psychiatry. 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 reduced, with priority given to urgent psychiatry reviews; outpatient waiting lists are being reviewed to establish risk/need; implementation in community mental health teams of an increased consultation approach for keyworkers in managing patients. The Trust continues to prioritise consultant psychiatry recruitment, has progressed to develop additional speciality doctor posts, and is supporting one colleague with the Portfolio Pathway (formerly Certificate of Eligibility for Specialist Registration (CESR)). The Trust has also engaged regionally with SPPG and DOH colleagues to work to address psychiatry workforce pressures and is listed as Level 2 on the Support and Intervention Framework from July 2025.

General Internal Medicine and Gastroenterology: There remains an ongoing challenge in attracting Consultant Physicians; this is a recognised difficulty both locally and nationally. The impact of medical staff challenges has impacted in year on the ability to deliver safe general medical services over the two acute hospital sites. Services, and in particular Gastroenterology, have been particularly impacted. The Trust has successfully recruited one gastroenterology consultants, a second consultant due to commence in October 2025 has withdrawn from the post, further recruitment is planned. Vacancies have impacted on service delivery with red flag waiting times extended. An independent sector contract is being progressed to help reduce these waiting times. There has been some positive recruitment with the appointment of new Consultants within Medicine and Unscheduled Care through local and international recruitment and local recruitment processes. There has been recruitment in

general medicine with specialist interests including respiratory and diabetes and endocrinology. Specialist service such as neurology and rheumatology have also recruited consultant staff. As part of the modernisation and efficiency work streams the MUSC Directorate is reviewing current models of care. Additional consultant recruitment advertising campaigns continue to further stabilise the medical workforce in both Acute Hospitals

• Home Care (Formally Domiciliary Care)

The importance of the Home Care sector in supporting Health and Social Care (HSC) generally, should not be underestimated. However, there are a range of historical issues and challenges in relation to this sector that require to be addressed. These include: the lack of procurement of sufficient new capacity from Independent Home Care Agencies, a lack of a regionally agreed model of Home Care, reduced capacity within some providers and some issues around agreeing home care invoicing on occasions. These issues have persisted into the 2024-25 period and are continuing in 2025-26. The DOH/ SPPG established a number of Regional Social Care Collaborative Forums and their work includes a focus on maximising current capacity in advance of agreeing a new Regional Home Care Contract.

Locally, within the Trust the Home Care Oversight Group continues to meet monthly to review the Independent Sector agencies compliance to the current Home Care contract. This provides an opportunity to review performance and progress the service offered against a number of the recommendations, across a number of sources e.g. Internal Audit reports, Contract Compliances/Performance Notices, RQIA reports, Whistleblowing, Safeguarding investigations, Complaints and Incidents.

The Trust continues to host a monthly Collaborative Forum meeting with Home Care Independent Sector Providers, where we work in partnership with our providers and discuss issues of common interest.

The Trust commenced a digitalisation project within the in-house Trust Home Care service in August 2024. In the first instance it introduced the use of i-Pads to approximately 1180 staff, facilitating timely electronic rota management and communication between Home Care staff and the office. For the first time ever, all 1180 Trust Home Care staff have been provided with access to a Trust email account. The Care Line Live app has been implemented in the Newry and Mourne area, is now being rolled out in the Craigavon and Banbridge locality and will then be implemented in the Armagh and Dungannon locality, with a target completion date of March 2026. This app will enable the implementation of a Real Time Monitoring solution across the whole in-house Trust Home Care service during the 2025-26 period. The implementation of a Real Time 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 Home Care

capacity, identifying capacity and basically “freeing time to care” to direct to the unmet need across the Trust area, which currently equates to approximately 639 service users on a waiting list for a Home Care package of care. To deliver this level of care would require additional capacity in the system to deliver approximately 5,270 hours per week at a cost of approximately £7.1 Million per year. This is beyond the Trust’s current commissioned levels of Home 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 SLT Risk and Assurance and also provided to Governance Committee. During 2023, the Department of Health amalgamated the Inquiry into Hyponatraemia Related Deaths and Independent Neurology Inquiry 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 is still a portion outstanding which rely on DoH input and the Trust continues to engage with DoH colleagues in relation to this cohort and implements the recommendations and guidance provided.

• **Cytology**

The Trust completed the Cervical Cytology Review during 2024-25 and published results in December 2024, alongside the publication of the PHA Review of Cervical Cancer within the Southern Trust Area. Since this time, the Trust has sought independent external opinion on the content of these reports and this information is being considered by the Trust. The Trust is also progressing SAI Reviews which arise out of the Audit of Invasive Cervical Cancer.

• **Urology Public Inquiry**

In November 2020, the then Health Minister announced a Statutory Public Inquiry into Urology Services in the Southern HSC Trust. The Urology Services Inquiry (USI) was formally set up on 6 September 2021, with Christine Smith KC appointed as Chair. The Inquiry is currently working towards a conclusion, although a publication date has still to be confirmed. The Trust has continued to provide evidence through discovery, at the request of the USI, and the Inquiries Act 2005 section 21 (S21) process remains active. An extensive redaction process is underway in advance of all S21 material being made available on the Inquiry website. Engagement with the USI team continues as we work towards a conclusion of the process.

The upcoming risks of the final report completion process, and the subsequent publication will need to be assessed and managed by the Southern HSC Trust, in line with the pro-active management approach to the Inquiry undertaken to date

• **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 Southern HSC 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 Southern HSC Trust had 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 in Armagh. This is a service in respect of a vulnerable patient group with a dementia diagnosis, often in addition to multiple comorbidities and significant behavioural challenges. The extant 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 Southern HSC Trust continues to await the outcome of the SPPG deliberations. Pressures remain in respect of consultant psychiatry medical staffing as noted above.

• **UK COVID-19 Public Inquiry**

In common with other Trusts, the Southern HSC Trust has been responding to a number of Rule 9 requests (a formal request for information), relating to various modules of the Covid-19 Public Inquiry. Particular areas of focus for the Southern HSC Trust have included Procurement and the Care Sector. Work is on-going, but with no indication of future demands on the Trust it is difficult to assess the on-going risk and impact.

Financial Risks

• **Budget Position and Financial Outlook**

As part of the usual financial planning process the Southern HSC Trust presented a financial strategy and plan in response to the budget announced for 2025-26.

The Financial Plan reflected an opening recurrent forecast deficit of £73m. The Trust Board and SPPG approved the implementation of a £30m saving plans for 2025-26, which were considered as having low/medium impact on service delivery and patient safety. These

savings were identified through a detailed review of all spending areas, workshops and meetings held across Directorates and with Senior Leadership Team and the Trust Board.

This Opening Financial Plan for 2025-26 was endorsed at Confidential Trust Board on 29th May 2025 with a forecast deficit for the Trust of **£43m**.

A letter was sent from SPPG to Trust Directors of Finance on the 11th June 2025 which notified of the need to achieve further savings the delivery of which would be approached in 2 phases, **Phase 1** of which was a focus on returning Trusts to the 2024/25 deficit levels. For SHSCT this resulted in **an additional savings target of c£5m**. This ask increased our savings plan for 2025/26 from **£30m to £35m**.

At the request of SPPG the Trust submitted a revised financial plan on the 9th July which reported a revised forecast deficit of **£37.6m**, after the addition of the further £5m savings, which returned the Trust to the deficit level reported in 2024/25.

The RISE programme established by the Southern HSC Trust in 2024-25 to oversee and monitor the implementation of savings targets has continued into 2025-26 to monitor achievement of the £35m savings target in 2025-26 and provide robust challenge where required and agree mitigations where savings targets are not being met. Progress is reported each month with oversight from the Director of Finance, Procurement & Estates and the respective operational Director to the Trust's RISE programme, chaired by the Chief Executive and oversight from the Finance, Performance and Workforce Committee that reports to the Trust Board. Any deviations from plan are promptly addressed. As at Month 05 the Southern HSC Trust is underachieving on the savings plan by £1.2m (11% of the plan) however this is expected to recover and the plan be achieved in full by financial year-end.

The Southern HSC Trust continues to have considerable underlying recurrent funding pressures, which, coupled with further in-year emergent pressures and growth continue to result in significant budgetary challenges in 2025-26 and beyond.

Phase 2 of the regional savings plan focuses on the delivery of a further £100m of savings from Trust baselines and relies on the work of the regional **SFMG** (System Financial Management Group). For SHSCT the share of the further savings under **Phase 2 is c£16.4m**.

The Trust received formal notification of the SHSCT Opening Allocation for 2025/26 in a letter from Brigitte Worth, SPPG Director of Finance on the 23rd July. As part of this letter the Trust received formal notification that **£21.190m non-recurrent Deficit Funding** was being provided.

After consideration of this non-recurrent funding the Trust has revised its Forecast Deficit Position to **£16.4m**. The remaining deficit (as reported in the Financial Plan submitted to SPPG / DOH) represents the Phase 2 savings value for SHSCT . Initially it was presumed that achievement of same would be dependent either on regional enablers derived from the Systems Financial Management Group (SFMG) or by allocation of further deficit funding.

However, in response to correspondence received from the DoH Permanent Secretary on 2 September 2025 the Southern Trust has now prepared a plan to reach break-even as at 31 March 2026. The revised plan sets out the scale of the financial challenge, the measures proposed to deliver savings, the associated risks and impacts, and the longer-term considerations required to secure sustainable financial balance in 2025-26. The plan includes measures with a risk rating from low to catastrophic with the majority of the measures assessed as high or catastrophic in terms of service delivery and patient safety. Further savings will exacerbate existing pressures in already underfunded and overstretched services.

On 25 September 2025 the Trust Board approved the immediate implementation of the savings measures with a low/medium risk rating, equating to an additional £3.63m as outlined in the paper. Members agreed to await the outcome of further discussions with the SPPG/DoH, before taking decisions on measures with a high and catastrophic risk rating. They noted that these measures would entail service reductions that could compromise patient safety and quality of care. Members also noted that some of these measures may require formal consultation and stated that they would expect guidance from the SPPG/DoH in this regard before taking a decision.

A longer-term financial framework, covering the 18-month period to the end of 2026–27, will be submitted by 6 October 2025 in line with Departmental correspondence..

We await feedback from SPPG and DoH. The Trust is therefore at risk to achieving break-even in 2025-26. This will have adverse consequences for an already highly pressurised health and social care system which would be very damaging for service delivery. This risk is included in the Corporate Risk Register.

A critical underlying issue is the Trust's capitation funding gap. SPPG analysis has confirmed that the Southern Trust operates with an equity funding shortfall of approximately £40m compared to other Trusts. This gap has arisen due to the Trust's historically higher efficiency in delivering services. Without correction, the gap will continue to widen over the next five years.

The recent PLICS data confirms Southern Trust is one of the most efficient Trusts regionally, further underlining the inequity. SPPG has recognised the need for additional investment in the Southern Trust area.

Unless the equity gap is addressed through a regional reallocation of resources or capital and revenue investment, the Trust will remain at a structural disadvantage and unable to deliver sustainable balance without disproportionately impacting services.

The financial focus in 2025-26 remains on rebuilding robust financial control and improving service productivity and efficiency to help contain and reduce costs and improve financial discipline across the Trust.

Social Work Services

Social work services in the Southern HSC Trust continue to be compromised primarily as a consequence of substantive long-term vacancies and insufficient numbers of staff to recruit. Whilst impacting on all Directorates, it is most profound in Children's services where there are vacancies of up to 35%, for example the Gateway Social work service in Children Directorate.

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 (LAC) services. This, combined with application of Quality improvements initiatives, has resulted in reductions in Family Support unallocated cases. The service continues to experience an upwards trajectory in the numbers of children becoming Looked after which is creating considerable challenges in respect of care placement capacity. In addition, and directly linked to substantive social work vacancies, the service is now experiencing a small number of unallocated Looked after Children cases and a corresponding breach in Directed Statutory Functions. The service has very specific Governance and review arrangements in place and the young people concerned are in stable long term foster care placements. The Southern HSC Trust is committed to exiting unallocated LAC cases as soon as social work workforce capacity permits.

This will be assisted by new investments identified to support and expand the introduction of skills mix in front line social work teams in children's services.

The Trust has experienced an improved situation this summer with 31 additional newly qualified social workers joining children's service. There is ongoing work to promote social work as an attractive career opportunity to secondary school aged young people and undergraduates. This includes hosting a specific careers event within the Trust and participation in regional careers events on an annual basis. The Trust has increased the number of practice learning places offered to social work students in line with additional funded

places that the Department of Health have commissioned, including an increase of places offered via the Open University route for experienced social care workers within the Trust. Structured induction is being provided, alongside enhanced supports for their first year in employment.

It is anticipated that unallocated cases will reduce in the coming months consistent with improving staffing.

The Trust is committed to eradicating unallocated Looked after children cases by the end of this financial year.

Maternity and Gynaecology

The Southern HSC Trust is committed to delivering a safe and sustainable Obstetrics and Gynaecology service to the Southern HSC Trust population which includes the continuation of services on both acute hospital sites. Unfortunately, due to the workforce challenges there have been occasions the Southern HSC Trust has been unable to safely provide services on both sites and consequently diverts have been put in place to manage patient acuity, volume of patients and support the workforce to maintain a safe service. These diverts are very limited and part of site escalation protocols for maintaining safe services. Recruitment of midwifery posts has taken place with good results; over quarter 3 a phased onboarding is planned to take place; this will improve the workforce challenges with expected vacancy rate decrease.

There have been ongoing challenges in Obstetrics and Gynaecology to recruit to consultant level. There is a shortage of obstetrics and gynaecology consultants, both within NI and nationally (UK wide), which has contributed to recruitment challenges, and with recent retirements and resignations on the Daisy Hill site, there is now a reliance on locum doctors to assist in the running of the service, however, recent recruitment has been successful in appointment of substantive post and there has been a more encouraging response to recent advertisement for gynecology post. Challenges remain in respect of securing adequate numbers of consultants to meet service demands. The Trust continues to engage with experts and service leads in agreeing a sustainable long-term

model of Maternity services.

Haematology

The Southern HSC Trust is commissioned to deliver haematology services through a five-consultant model supported by the wider team. Following the resignation in April 2025, there are 2.0 WTE consultants within the team therefore the service capacity and capability is significantly below that required to meet the patient and service demand.

There has been an early alert raised with the Department of Health on 27 February 2025, alerting them to the impact on the service. There had been a previous alert submitted on 6 July 2023.

The Southern HSC Trust had secured 2 Locum Consultants in May 2025. The two Locum consultants brought more stability to the service. Unfortunately one locum was lost September 2025.

The Trust continues to work with SPPG on a business continuity plan to deal with this and will try to recruit to fill this recent and more long term vacancies.

The Trust remains working with the SPPG, PHA, Northern Ireland Cancer Network and regional Trust colleagues to support service delivery. Assistance is being provided from other Trusts including triage support if required, management of some new referrals, and support for more complex patient care. A consultant from Belfast Trust provides one-day a week coverage. The Trust is reviewing current models of care to stabilise and sustain the service.

Trust Service Development over last two years

- There has been substantial investment and work in the development of non-medical roles within the haematology services, including prescribing pharmacists, advanced nurse practitioners, nurse practitioners and a physician associate;
- Recruitment of a doctor at Specialist grade to lead on the acute haematology inpatient ward; and
- Optimising the treatment pathways for the patients and implementing NICE guidelines to provide an effective service.

Current Year Issues Closed

New Ongoing Control Issues in 2025-26

PROVISIONAL, pending outcome of investigation – IT Outage

On Wednesday 17 September 2025, the Southern Trust experienced a full network outage which resulted in Southern Trust staff being unable to access key clinical information systems.

The outage resulted in a loss of connectivity for staff within Southern Trust with regional systems including encompass (patient record), NIPACS (radiology & digital pathology system) and LIMS (laboratory information system). These systems remained accessible to all other HSC Trusts.

A Major incident was declared and procedures put in place to ensure the safety of patients, this included cancelling most planned surgery and out-patient appointments and putting an ambulance divert in place.

The major incident was stood down at 09:00 hrs on 18th September 2025.

The Network Infrastructure Support Provider has confirmed that this was a Non-Cyber Incident and was not linked to the implementation of the new Health and Care Record under the encompass Programme or the EPIC system as the EPIC system remained stable for the rest of the region.

Experts have advised that given the highly complex nature of this investigation, it may take at least 3 weeks to complete.

Once the investigation is complete, the Southern Trust will have more information to help determine if this should be correctly added as an internal controls divergence and the remedial actions necessary to prevent recurrence.

15. Mid-Year Assurance Report from Chief Internal Auditor

I confirm that I have referred to the mid-year Assurance report from the Chief Internal Auditor, which details the organisation's implementation of accepted audit recommendations.

16. Annual Assurance of Fitness of Accounting Officer

I confirm that I remain fit to carry out the role of Accounting Officer in accordance with MPMNI Chapter 3 and that any issues arising which question my ability to carry out the role (e.g. bankruptcy, disqualification, serious conflicts of interest, etc.) will be notified immediately to the Departmental Accounting Officer.

A handwritten signature in black ink, appearing to read "Steve Swamy". The signature is fluid and cursive, with a large loop at the end.

10/10/2025

Signed:

Date:

CHIEF EXECUTIVE & ACCOUNTING OFFICER