

Memorandum

To: Trust Board
From: Mrs Catherine Marks, Director of Finance, Procurement & Estates
Date: 10 June 2026
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 £12,381k for the year ended 31 March 2026 for recommendation to Trust Board for approval (Appendix 1).

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 of £1.7k over 73 cases of old amounts of payroll corrections. All write offs are under the threshold for DoH approval.

- Claims abandoned – There were no waived or abandoned claims for the year 25-26.
- Bad debts. The loss of £180k for the year to 31 March 2026 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 (£000)	Reason for write off
Financial Assessments Debt	41	Considered by Trust Internal Debt Panel
Financial Assessments Debt	2	Debts >£250 uneconomic to pursue
Financial Assessments Debt	2	Debts < £250 and uneconomic to pursue
Private Patients Debt UK/ROI/NON EU	10	Debts > 6 years old Statue barred
Private Patients Debt UK/ROI/NON EU	72	Considered by Trust Internal Debt Panel
Private Patients Debt UK/ROI/NON EU	18	Debts > £200 and uneconomic to pursue
Private Patients Debt UK/ROI/NON EU	14	Debts < £200 and uneconomic to pursue
Other	3	Debts > 6 years old Statue barred
Other	11	Other
Salary Debt	7	Salary < £1000

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.

The Department of Health has formally approved write off for one Financial Assessments debt case, value £10.3k.

The debts written off had been fully provided for in previous financial years, therefore there is no impact on the net expenditure account in 2025-26.

- Fruitless payments – There were no fruitless payments for the year 25-26.
- Stores Losses - Includes the write-off of expired, damaged, and discontinued pharmacy stock to the value of £322k.
- 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 £300k were made/are due in relation to 5 clinical negligence cases and 1 Employer's Liability case.
- Ex Gratia Payments of £15k is made up of 12 cases in respect of lost and damaged personal property. The balance also includes 2 accruals for damage to a car in a Trust carpark.
- Extra contractual – There were no extra contractual payments made in the year 25-26.

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 Marks
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	2025-26		2024-25	
	Number of Cases	£	Number of Cases	£
Cash losses				
Cash Losses - Overpayments of salaries, wages and allowances	73	1,716	54	585
Cash Losses - Other causes	0	0	0	0
	73	1,716	54	585
Claims abandoned				
Waived or abandoned claims	0	0	0	0
	0	0	0	0
Administrative write-offs				
Bad debts	459	179,805	460	178,959
	459	179,805	460	178,959
Fruitless payments				
Late Payment of Commercial Debt	0	0	1	100
Other fruitless payments and constructive losses	0	0	0	0
	0	0	1	100
Stores losses				
Other stores losses	1,449	321,543	114,040	484,572
	1,449	321,543	114,040	484,572
Special Payments				
Compensation payments:				
Clinical Negligence	145	10,151,039	141	7,316,043
Public Liability	5	164,831	2	45,195
Employers Liability	35	1,167,739	27	593,322
Employment Law	7	362,466	6	730,196
Other special payments	2	16,769	4	12,778
	194	11,862,844	180	8,697,534
Ex-gratia payments	14	14,846	10	5,750
Extra contractual	0	0	0	0
TOTAL	2,189	12,380,754	114,745	9,367,500

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	2025-26		2024-25	
	Number of Cases	£	Number of Cases	£
Stores Losses				
Other Store Losses	0	0	0	0
Special Payments				
Compensation payments:				
Clinical Negligence	5	2,447,640	3	2,852,955
Public Liability	0	0	0	0
Employers Liability	1	429,445	0	0
Employment Law	0	0	0	0
Other special payments	0	0	0	0
	6	2,877,085	3	2,852,955
TOTAL	6	2,877,085	3	2,852,955

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

Year Ended 31 March 2026

Losses Statement	2025-26	2024-25
Total Number of Losses	1,981	114,555
Total Value of Losses (£000)	503	664

Individual losses over £300,000	2025-26	2024-25
	£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	2025-26	2024-25
Total number of special payments	208	190
Total value of special payments (£000)	11,878	8,703

Individual Special Payments over £300,000	2025-26	2024-25
	£000	£000
Compensation payments		
- Clinical Negligence	2,448	2,853
- Public Liability	0	0
- Employers Liability	429	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
<u>Total special payments</u>	2,877	2,853

Other Payments

There were no other payments made during the year.