



Southern Health
and Social Care Trust
Quality Care - for you, with you



ANNUAL REPORT AND ACCOUNTS 2024-25



Working together



Excellence



Openness & Honesty



Compassion

Annual Report and Accounts
For year ended 31 March 2025

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

04 July 2025

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



Web: www.southerntrust.hscni.net

COMMENTS



If you have any comments about this report or would like extra copies, please telephone 028 3756 3983.

DIFFERENT FORMATS



This report can be made available on request in large print, on disk, via email, in Braille, on audiocassette or in minority languages for anyone not fluent in English. Telephone: 028 3756 3983.

@Crown Copyright 2025

The text in this document (excluding the organisation logos) may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the document specified.

Contents	Pages
1. Performance Report	
Performance Overview	1-4
Trust Purpose and Activities.....	5-10
2. Performance Analysis	
Southern Health and Social Care Trust Year in Highlights	12-20
Priorities 2024-25.....	21-29
Financial Performance.....	30-39
Research and Development.....	39-40
Sustainability Report.....	41-48
3. Accountability Report	
Overview	
Overview.....	50
Corporate Governance Report	
Directors' Report	51-58
Non-Executive Directors' Report.....	59-60
Statement of Accounting Officer's Responsibilities	61
Governance Statement	62-96
Remuneration and Staff Report	
Remuneration Report	97-105
Staff Report	106-120
Accountability and Audit Report	
Compliance with Regularity of Expenditure	121
Statement of Losses and Special Payments.....	121-124
Audit Certificate.....	125-129
4. Financial Statements	
Consolidated Annual Accounts	
Consolidated Statement of Comprehensive Net Expenditure	131
Consolidated Statement of Financial Position	132
Consolidated Statement of Changes in Taxpayers' Equity.....	133
Consolidated Statement of Cash Flows	134
Notes to the Accounts	135-187
Accounts of Monies held on behalf of Patients and Residents	
Statement of Trust Responsibilities	189
Audit Certificate	190-193
Statement of Account of Monies Held	194

1

Performance Report

Performance Overview

The purpose of the performance overview is to provide a brief summary of the Southern HSC Trust, its main objectives and strategies and the principal risks it faces to the achievement of its objectives. It also provides an overview of the Southern HSC Trust's performance over the past year.

Message from the Chair

Welcome to our Annual Report 2024-25.

The Southern HSC Trust has come through another significantly busy year where our dedicated staff have gone above and beyond, in very difficult circumstances to provide high quality care with great compassion.



I acknowledge the challenges for local people, many waiting much longer than we would hope to access services. We thank patients, service users and families for your continued support and understanding. As you will see in this report, there are significant efforts being made to modernise and improve our services across acute and community settings.

There have been some changes to our Non-Executives, Chief Executive and Directorate teams over the past year as outlined in the Directors report (pages 51 – 58). I thank all Senior Leadership and Trust Board members for their ongoing commitment to local health and social care.

The Southern HSC Trust remains hugely grateful to all of those service users, carers, families and the local community who have very generously donated to our services. We received a total of £512k into our Charitable Trust Funds in 2024-25. All donations are greatly appreciated in helping us to enhance service user experience and quality of care.

The Health Minister Mike Nesbitt has visited a range of services right across the Southern HSC Trust throughout the year. In January, the Northern Ireland Assembly's Committee for Health visited our services in Daisy Hill Hospital and then held their weekly meeting in our Monaghan Row Boardroom. This was a great opportunity for local people to see the scrutiny and accountability given to delivering health and social care for our population.

I thank all community, voluntary, statutory colleagues and Health and Social Care organisations who we have worked with during 2024-25.

As we enter 2025, we do so with a new vision and strategy for our Trust. Our people are the core of all we do, and we cannot deliver services without our skilled and valued

workforce. For this reason, our people are at the centre of this strategy; they were key to its development, they will be key to its delivery. This strategy is our commitment to supporting our staff and our population together to improve care and transform lives.

A handwritten signature in black ink, appearing to read 'Eileen Mullan', with a large, sweeping loop at the end.

Eileen Mullan, MBE, Chair

Message from the Interim Chief Executive

I am very pleased to have recently joined the Southern HSC Trust. I have already been greatly impressed by the work taking place across the organisation and am enjoying meeting staff and other stakeholders.



The Southern HSC Trust is proud to provide services to approximately 400,000 people: working in partnership with other statutory, community, voluntary and independent sector organisations, as part of a wider health and social care network.

The challenges we face are common to all Trusts across the region, primarily relating to growing demand for services and the available financial and staff resources.

We continue to work with regional colleagues and other relevant parties in finding solutions to develop and improve in addressing emerging challenges.

The Southern HSC Trust has a specific focus on improving access to unscheduled care, reducing waiting lists and developing community care to provide more effective support to service users within their own homes where possible.

Despite the difficulties, as demonstrated throughout our 'Year in Highlights' (pages 12-20), there are numerous examples of how Southern HSC Trust staff remain committed to providing high quality, innovative care and have been recognised for best practice. In April we were delighted for the first time since the COVID-19 pandemic, to come together in person to highlight the exemplary achievements of our staff with a much-deserved celebratory event – 'Our People Awards.'

Over the past year, we have been engaging with staff, service users, carers and other partners to reflect on and set out a clear direction of travel which allows us to respond to evolving demands. We thank everyone who has contributed to this process and it is with much optimism that in April 2025 we launched our new Vision & Strategy, to take us on a journey of improvement and transformation through to 2030.

We are currently in the final phase of one of the most significant digital health and social care transformations of our time. On 8 May 2025 the Southern HSC Trust, along with our Western colleagues, will be the final Health and Social Care Trusts in Northern Ireland to go live with encompass, the new electronic patient record system. Tremendous efforts are being made right across the organisation in preparation for 8 May and we look forward to the benefits of better communication between services, improved safety and quality of care.

Whilst we do not underestimate the challenges, we have ambitious plans and look forward to realising our vision in a new digital, paper light world. Our focus is on using an integrated approach to develop and provide health and social care services, where

possible in the community and only in hospitals when necessary. Collaborating with partners it is our aim to improve care and transform lives.

I thank our staff for their relentless commitment, our partner agencies and most importantly, our service users for your continued support and understanding.

A handwritten signature in purple ink, reading "Steve Spoerry". The signature is fluid and cursive, with a large loop at the end of the last name.

Steve Spoerry, Interim Chief Executive

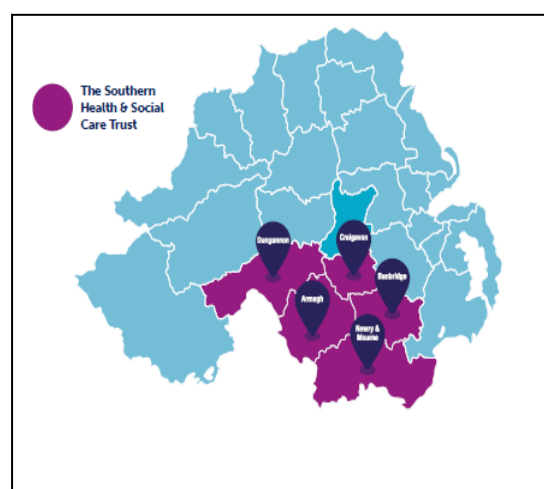
Trust Purpose and Activities

The Southern Health and Social Care Trust (the Southern HSC Trust) is an integrated health and social care Trust.

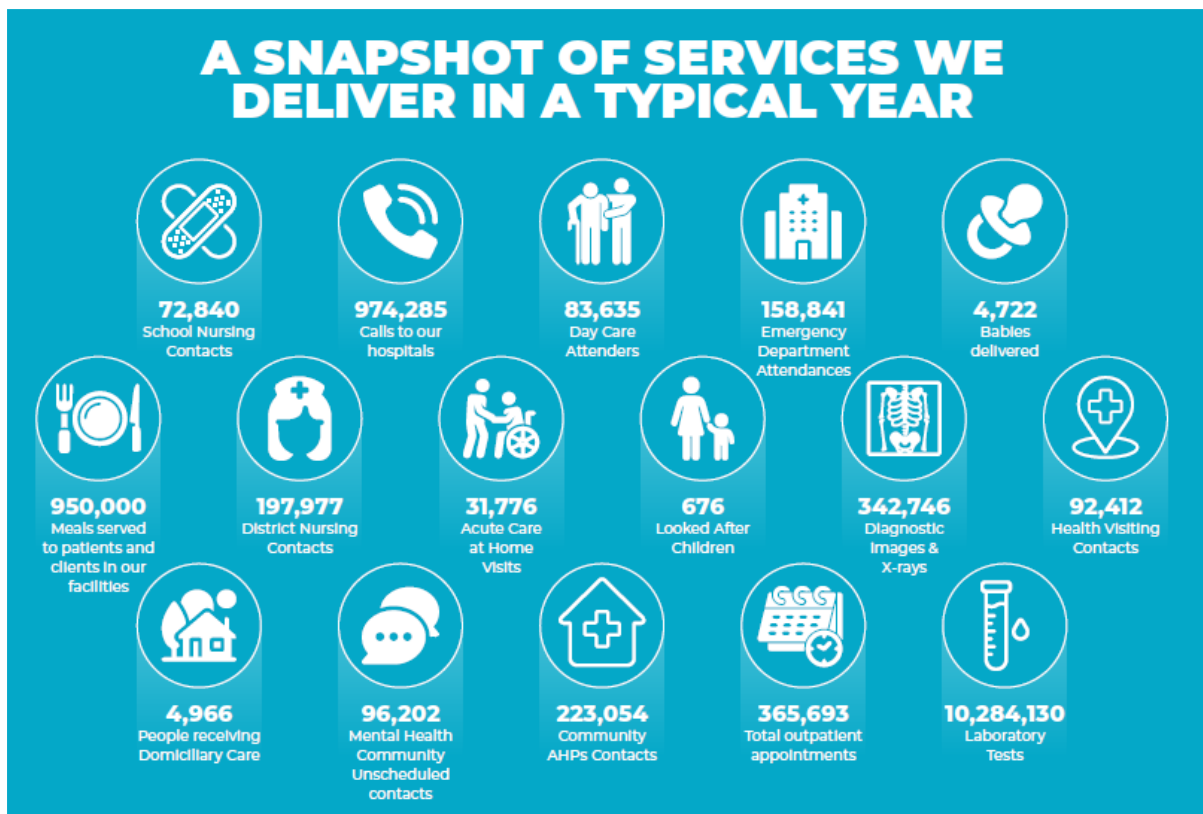
Its geography covers the council areas of Armagh City, Banbridge and Craigavon; parts of Newry, Mourne and Down, and Mid-Ulster. The Southern HSC Trust provides health and social care services to residents of these areas and to others who travel to the Southern HSC Trust to avail of a regionally provided service.



Source: Annual Strategic Plan 2024-25



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.



Source: Annual Strategic Plan 2024-25

Our Vision

Throughout 2024-25, **the Southern HSC Trust Vision was** to deliver, safe, high quality care that is co-produced and co-designed in partnership with service users and our people who deliver our services.

This vision was 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.



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 Executive Directors and Directors along with Non-Executive Directors, Chair and Chief Executive form the Trust Board. The Trust Board is the decision-making body for the Southern HSC Trust, responsible for setting strategy and monitoring performance, ensuring that the Trust meets its statutory and regulatory duties and effectively manages risks.



Trust Corporate Objectives

The Southern HSC Trust's corporate objectives are:

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

Vision and Strategy 2030

The Southern HSC Trust has developed a new **Vision and Strategy 2030**, launched in April 2025.

Our vision going forward to 2030 is: ***“Together we will grow as a learning organisation focused on providing safe, quality care based on a community-first approach throughout the whole-life journey.”***

This is summarised as **“Together, Improving Care, Transforming Lives.”**

Our Vision and Strategy aligns with the recently published Programme for Government 2024-2027, ‘Our Plan – Doing What Matters Most’.

Annual Strategic Plan 2024-25

The Annual Strategic Plan 2024-25 was set in the context of the Southern HSC Trust's new Vision and Strategy for 2030, this plan commenced the start of our journey to change the culture of our organisation and provide a model of health and social care which is sustainable into the future.

The emphasis in 2024-25 was stabilisation including a focus on developing key enablers and starting the service reform that is required to secure a sound basis for our journey to a more positive future. Full details of this plan are published on the Trust's website.

The Southern HSC Trust's Annual Strategic Plan 2024-25 defined the **strategic priorities for 2024-25 as follows:**

1. Ensuring Safe Services while delivering financial recovery;	2. Strengthen Financial and Governance system;	3. Digital Readiness;
4. Embedding Our Co-production approach;	5. Delivery of year 3 of Our People Framework;	6. Sustainability of Our Estate.
7. Unscheduled Care Transformation and Reform	8. Improved Access to Services	9. Focus on Developing Services Provided in the Community

Strategic Risks

The Southern HSC Trust's interconnected approach to planning, risk management, internal control and assurance is set out in the Governance Statement. However, key risks to delivery of the Southern HSC Trust's Strategic priorities which were actively monitored during 2024-25 were as follows:

STRATEGIC RISKS
Workforce and people risks (combining staff wellbeing, recruitment, retention, and capacity across specialties)
Operational and service delivery risks (encompassing delays, access to services, and maintaining service quality)
Cyber security risks (technology enablement, digital readiness, and cyber security threats)
Financial and sustainability risks (covering financial recovery, budgeting, and sustainability efforts)
Compliance and reputational risks (addressing regulatory compliance, infection control, and public perception)

What we achieved in 2024-25

The Performance Analysis on pages 21 to 40 provides a detailed overview of performance in the year, both financial and non-financial.

The key performance challenges remained broadly unchanged in 2024-25 and continued to reflect the risks related to Access to Services, Workforce, Estates and Infrastructure, and Finance.

In summary, the performance against key targets was:

- **Service Delivery Plan Indicators** - of the 60 individual service plan indicators that are assessable, 55% of measures were met or partially on track as at March 2025.

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

- **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 2025.

They were 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 full achievement of in-year savings plans along with the provision of deficit support funding provided by the Department of Health of £37.6m. This was provided in part to offset in-year unavoidable pressures carried forward from prior years including in-year pressures and growth in our services. Otherwise the Southern HSC Trust would have had to consider implementing high impact service recovery measures to achieve break-even. In addition, the Trust achieved £22m savings through reduction in spend, in particular from a reduction in Nursing flexible spend delivered as part of the implementation of the RISE (Reform, Improvement, Savings and Efficiencies) programme. The Southern HSC Trust has worked hard to balance high quality, safe patient care together with increasing demands for our services within the financial settlement allocated in 2024-25.

2

Performance Analysis

Southern Health and Social Care Trust Year in Highlights 2024-25

April 2024

‘Our People Awards’

We hosted our first staff recognition awards since the pandemic to highlight the exemplary work of our amazing people.

The categories were - Working Together Behind the Scenes, Working Together Front line, Everyday Heroes, Leading by Example, Partnership Working, Quality Improvement, Working Together Team of the Year and the People’s Choice Award.



This was a great way of thanking and recognising those staff who really do a fabulous job and help make the Southern HSC Trust a better place to work for all of us.

Midwives Awards



Two midwives scooped awards for outstanding achievement and commitment at the All-Ireland Maternity and Midwifery Festival Trailblazer Awards.

Bereavement midwife Oonagh King won the Parent’s Trailblazer Award and Lee-Ann McCall, a student midwife based in Craigavon Area Hospital accepted the Student Midwife Trailblazer Award.

May 2024

Purple Heart Project



A project to support patients living with Dementia or experiencing confusion during their visit to hospital was rolled out across Craigavon and Daisy Hill Emergency Departments.

The Purple Heart project was developed by Craigavon Area Hospital ED Sister Shauna Colyer in support of patients coming into the department with dementia and was launched as part of Dementia Action Week.

Commissioner Visits Speech and Language Therapy

The Paediatric Speech and Language Therapy community service hosted a visit from the Northern Ireland Commissioner for Children and Young People, Chris Quinn.

The team offers a wide range of support across community clinics and specialist provision in mainstream schools.



The Commissioner met staff, children and parents who use the service to hear about the challenges and see first-hand how the team is innovatively helping children to reach their full potential.

June 2024

MBE for Dr McCaffrey



One of our most senior doctors was awarded an MBE in the King's Birthday Honours in recognition of her services to older people.

Dr Patricia McCaffrey, Divisional Medical Director for Older People Services, has worked within the Southern HSC Trust for 35 years.

She has been instrumental in supporting and promoting high-quality health and social care services across the entire Trust, particularly through the development and expansion of Acute Care at Home, the groundbreaking service which prevents and reduces hospital admissions.

Edith is Nurse of the Year

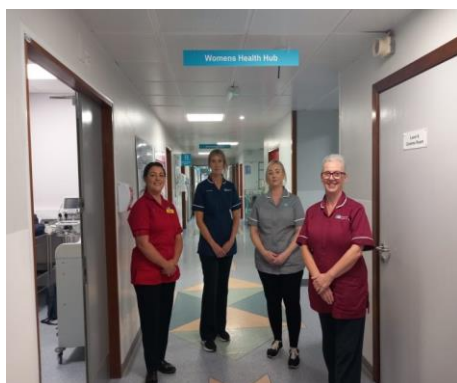
A number of our nurses were recognised at the Royal College of Nursing Awards.

Edith Donnelly, Advanced Nurse Practitioner in the heart failure team, scooped the prestigious RCN Northern Ireland Nurse of the Year Award with Darren Hughes, CAMHS Youth Justice Senior Mental Health Practitioner commended in the same category. Mairead Donnelly, Head of Public Health Nursing won the Brownlee-Silverdale Leadership Award, while Fiona Keegan, Macmillan Colorectal Nurse was runner up in the Patient's Choice Award.



July 2024

Women's health hub for Daisy Hill Hospital



A new women's health hub opened at Daisy Hill Hospital offering rapid access for gynaecological and early pregnancy support.

Located on the third floor, the hub which is staffed by gynaecologists, obstetricians, specialist nurses and midwives, aims to make sure that women get the most suitable care in the right place, as quickly as possible.

August 2024

Pocket translation device

A new handheld translation device is improving communication between staff and patients who do not speak English in Craigavon Area and Daisy Hill Emergency Departments and GP practices across the area.

The pocket-sized digital kit can translate up to 108 languages through audio or text in real time.



Introduced as a pilot by our Promoting Wellbeing team and Primary Care Multidisciplinary Teams, this is the first time the technology has been used in Northern Ireland health and social care.

Just-in-Case Boxes



A new project to reduce stressful hospital admissions for palliative patients has been introduced across the Southern HSC Trust following a successful pilot in the Dungannon area.

Just-in-Case Boxes contain essential medications to treat common symptoms, that are kept at home and are accessible as and when required.

By enhancing patient care in their own home, the boxes help support the prevention of unnecessary hospital admissions and the need to access urgent care out of hours.

September 2024

New Trauma and Orthopaedic Clinic

A new trauma and orthopaedic clinic opened on the ground floor of Daisy Hill Hospital.

Like many other services, demand for trauma and orthopaedics is increasing. We have around 680 attendances each week for the fracture clinic and orthopaedic outpatients to help address waiting times.



Thanks to £175,000 funding from the Department of Health and creativity from estates colleagues, the trauma and orthopaedics team are delighted to be back working across both hospitals to help address waiting times and improve access to services.

Hear Our Voice



We teamed up with colleagues in the South Eastern Trust and Dementia NI to work with people living with Dementia, to coproduce 'Hear Our Voice'.

The documentary gives viewers a glimpse into the lives of those living with dementia, raising awareness, educating and aiming to reduce stigma.

October 2024

Construction Award for Portadown Health Centre

The Atrium Infill Scheme in Portadown Health Centre won the Health Project of the Year Category at the Construction Employers Federation Awards in Belfast.

Led by our estates team, the project included an imaginative design solution within the main atrium providing additional space for general medical services and the expansion of Multi-Disciplinary Teams (MDT).



Disability Advocate appointed



We welcomed a new Disability Advocate in October.

Dr Clodagh Corrigan, from Rathfriland, is a Specialty Doctor in Emergency Medicine and is based in the Emergency Department in Daisy Hill Hospital.

We were the first Trust in Northern Ireland to develop this role and Clodagh, who is a wheelchair user, brings real life experience to the position.

November 2024

Innovative Unit enhances patient care

The Health Minister has praised our Ambulatory Cardiology Unit at Craigavon Hospital for delivering timely, effective care while reducing the strain on hospital resources.

The Unit cares for patients experiencing new or urgent cardiac symptoms or managing known conditions, whilst avoiding hospital admission. By offering rapid evaluation, treatment and follow-up from a dedicated cardiology team, the unit has eased the pressure on EDs and significantly reduced inpatient admissions to cardiology wards.



December 2024

First Trust in NI to launch remote ECG monitoring



A first-of-its-kind pilot scheme launched in the Southern HSC Trust, which allows patients to capture their heart data anytime, anywhere.

As part of this new roll out, patients being investigated for palpitations or atrial fibrillation receive a remote mobile ECG (electrocardiogram) monitoring device. This allows them to check in on their heart at home and transmit real-time data back to cardiology specialists to review their trace without having to attend hospital.

January 2025

Edel Corr Award for Windsor Day Centre

Staff at Windsor Day Centre in Newry received the Southern HSC Trust's 'Edel Corr Award for Compassionate Care.'

The award was established in honour of Edel, a highly esteemed nursing colleague who sadly passed away in 2021.

Windsor Day Centre provides service user and carer support and rehabilitation for adults with a learning disability.



Health Committee Visits Daisy Hill



We hosted a visit from the Northern Ireland Assembly's Committee for Health in January.

Committee members first visited Daisy Hill Hospital to meet with staff and learn more about services before holding their weekly Committee meeting in the Southern HSC Trust's Monaghan Row Boardroom.

February 2025

Pressed for success!

Craigavon Area Hospital laundry team achieved ISO accreditation in February.

As part of a three-year process our laundry service undergoes a surveillance visit annually to ensure we continue to meet Standard ISO 9001:2015.



The hardworking team process around four million pieces of laundry a year (about 75k – 80k items each week). They collect and launder soiled bedding, personal clothing, work wear and theatre linen; and replace and mark old bed linen. As well as servicing our own Trust hospitals, they also process laundry from Belfast City, Musgrave and the Mater.

Simulation suite opens in Craigavon Area Hospital



A state-of-the-art simulation suite opened in Craigavon Area Hospital.

This innovative facility was designed to enhance medical training and improve patient care by providing immersive, hands-on learning experience.

The suite, based in the Medical Education Centre, is for the use of Northern Ireland Medical and Dental Training Agency, medical staff from all specialities at all grades, Southern HSC Trust Academy of International Medics and undergraduate medical students from Queens

University Belfast and the University of Ulster.

South Tyrone Pioneering Rapid Diagnosis

The pioneering efforts of staff at South Tyrone Hospital's regional Rapid Diagnosis Centre are improving early cancer detection and better outcomes for patients.

Launched as part of a pioneering pilot initiative in 2022, along with Whiteabbey hospital, the two regional centres aim to address gaps in the traditional referral process.

The teams work in partnership with GPs who can refer patients with vague but worrying symptoms who do meet criteria for red-flag referral, to fast-track clinics for access to investigations and treatment.



March 2025

SAFE4U



We launched our new SAFE4U service in March. Based on the St Luke's Hospital site in Armagh, it provides specialist support for children and young people who have been impacted by sexual abuse and harm.

The team offer assessment, education and therapy, making it the first facility of its kind in Northern Ireland.

Reducing hospital stays with home antibiotics

An estimated 11,435 days which people may have otherwise spent in our hospitals have been avoided over the past four years thanks to a service managing antibiotic treatments at home.

The Outpatient Parenteral Antimicrobial Therapy Service, works with district nursing colleagues, preventing hospital admissions, supporting earlier discharge and enhancing overall patient experience.

Treatment can last from one day to a few weeks. More mobile patients attend their local district nursing hub for antibiotics while the team will go to those who are housebound in their own homes. Around 7.8 acute hospital beds are saved each day for sicker patients, by organising treatment in this way.



Celebrating Social Workers

To mark world Social Work Day on Tuesday 18 March, we hosted a special recognition event to honour social workers nominated for the Regional Social Work Awards.

More than 30 Social work staff from the Southern HSC Trust were nominated for the awards which celebrate the dedication of social workers. Additionally, three teams were acknowledged for their outstanding efforts in making a positive impact in the lives of others.



The encompass clock is ticking

It is all systems go and we are currently on the countdown to Go-Live with encompass, the new electronic patient information system.

The Southern along with Western colleagues, will be the final two Health and Social Care Trusts in Northern Ireland to introduce the ground-breaking system on Thursday 8 May 2025.



PERFORMANCE ANALYSIS 2024-25

Priorities 2024-25

Delivering Health and Social Care has continued to be challenging in 2024-25 with the increase in demand for services, gaps in our capacity and in our workforce along with financial pressures.

Priorities identified by the Department of Health (DoH) in 2023-24 were rolled forward in the Service Delivery Plan (SDP) for 2024-25 pending the introduction of the new Strategic Outcomes Framework (SOF) and Systems Oversight Measures (SOMs) from April 2025. This was deemed to be the most pragmatic approach in the short term.

The HSC Support and Intervention Framework (SIF) was issued to all Trusts at the end of October 2024. It 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 SOF 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 DoH/Strategic Planning and Performance Group (SPPG)/Public Health Agency (PHA), from Level 1 (Area of Concern Identified) to Level 5 (Intervention at HSC Board level).

The Southern HSC Trust's Annual Strategic Plan 2024-25 sets out the context of the Southern HSC Trust's Vision and Strategy for 2030 based on providing excellence in health and social care throughout the whole life journey that empowers service users in the management of their own care. The emphasis of 2024-25 was on stabilisation as a sound basis for our reform journey.

How we assess our performance

In order to ensure we make the best use of all our resources and deliver the outcomes we seek for our population the Southern HSC Trust assesses and reports on what we do from multiple perspectives including safety and quality, the experience of our people and service users, impact and effectiveness, efficiency, timeliness and equity.

In monitoring the identified escalation areas of SIF, bi-monthly accountability escalation meetings are held between the SPPG and the Southern HSC Trust in line with the approach set out in the SIF.

Whilst performance is reported to the Performance and Transformation Executive Board (PTEB) and the Southern HSC Trust Finance, Performance & Workforce Committee (a sub-committee of the Southern HSC Trust Board) on a quarterly basis, the Trust and the Department of Health Strategic Planning & Performance Group continue to monitor performance monthly.

The Finance, Performance and Workforce Committee assists the Southern HSC Trust Board in exercising one of its key functions of overseeing the delivery of planned results by monitoring performance against objectives and ensuring corrective actions are taken when necessary within agreed timelines.

Factors impacting Performance 2024-25

The key performance challenges remain broadly unchanged in 2024-25 and continue to reflect the risks related to Access to Services, Workforce, Estates & Infrastructure, and Finance.

The 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 challenge in 2024-25 as we continue to stabilise our services.

These challenges will continue into 2025-26 due to the ongoing workforce challenges, infrastructure, environmental conditions and the ongoing financial context.

How we performed in 2024-25

The first SIF meeting was held on 3rd February 2025 with nine escalations identified, as detailed below. Subsequent to the meeting, one area was removed and two were de-escalated.

Escalation Levels	Level 1	Level 2	Level 3	Level 4	Level 5
3 February 2025	2	4	2	1	0
Following Review	2	3	3	0	0

The Southern HSC Trust continues to work with SPPG to clarify the rationale for some of the escalation areas, understand the approach better and embed a process where assessment is consistent across all Trusts and issues are fully addressed.

Service Delivery Plan Indicators

The Southern HSC Trust calculate a cumulative position for all available indicators that are deliverable by the Southern HSC Trust at month end. There are 60 individual service delivery plan indicators which are summarised by the SPPG of the DoH. These indicators stipulate an expected level of activity for each area on a monthly basis, identified using the service baseline position set by SPPG 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 reflects the year end position as at March 2025 for the Southern HSC Trust. The cumulative information shows that 55% of measures are on or partially on track as at March 2025.



Summary of Key Performance 2024-25

A themed summary of 2024-25 performance is provided below which reflects the key risks highlighted routinely to our DOH, SPPG and the 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 2024-25, 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.

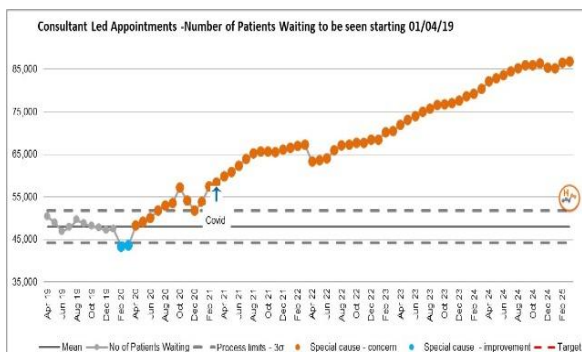
As of March 2025, there are currently 86,874 patients waiting for a Consultant Led outpatient appointment in the Southern HSC Trust resulting in unacceptably long wait times for many. Outpatient activity has remained consistent delivering 81,560 new outpatient appointments as at March 2025. Outpatient Reform and Modernisation work continues 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 71,920 in April 2024 to 80,790 in March 2025 a 12.3% increase. It should be noted that whilst Inpatient and Day Case waits have reduced this is because patients have not converted from outpatient waiting lists.

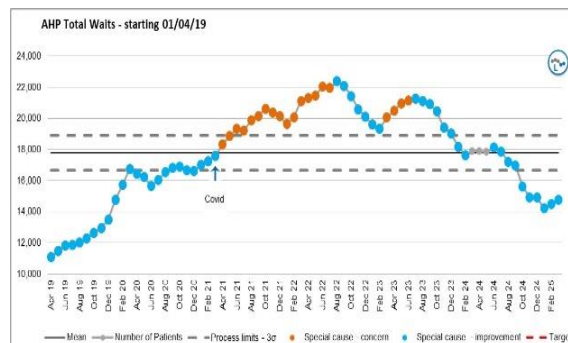
The total volume of patients waiting for an Allied Health Professionals (AHP) appointment has decreased by 17.4% from 17,876 patients waiting in April 2024 to 14,753 in March 2025. Despite the recovery and improvements made by services in year, it is recognised regionally that there needs to be a targeted 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.

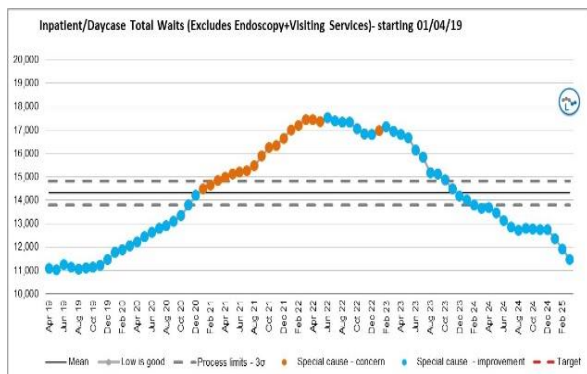
Consultant-Led Outpatient Waiting Lists: Trend in volume of waits



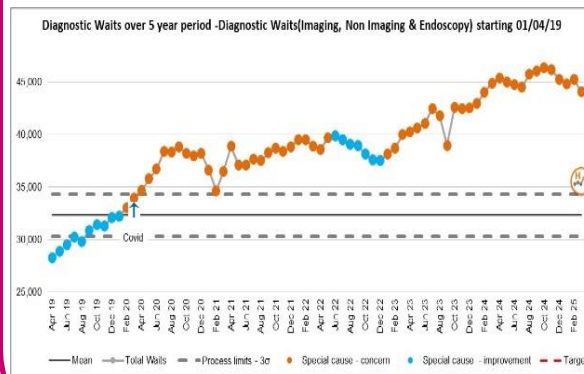
Allied Health Professional (AHP) Waiting Lists: Trend in volume of waits



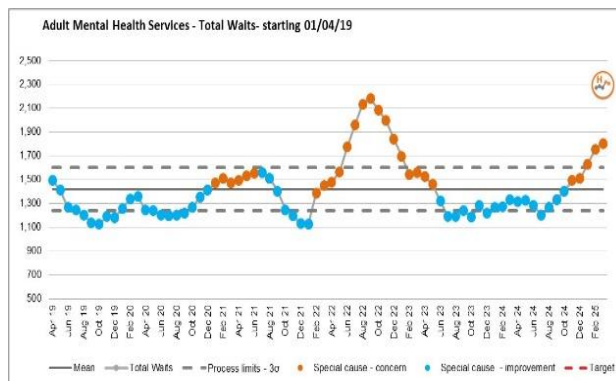
Inpatient and Daycase Waiting Lists: Trend in volume of waits



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 three cancer pathway targets over the last six years.

	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%	49.8%	45.8%
FY2022/23	56.3%	69.0%	85.7%	88.2%	41.7%	38.1%
FY2023/24	22.5%	44.1%	91.4%	88.2%	41.0%	34.3%
FY2024/25	14.0%	44.7%	89.8%	90.0%	29.9%	33.0%
* Please note that regional position is based on the following due to the implementation of Encompass						
SEHSCT data is unavailable from Nov 23, BHSCT from June 24 & NHSCT from Nov 24						

The reason for the reduced performance is due to increasing numbers of people who are actively waiting on our cancer pathways has increased from 5,266 patients in March 2024 to 6,440 in March 2025.

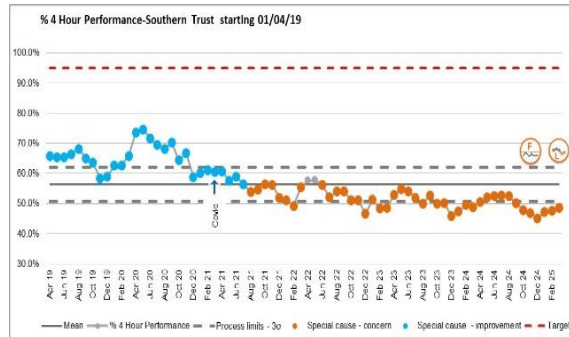
The number of patients who have attended and been diagnosed with Cancer has decreased from 2,764 in 2023-24 to 2,714 confirmed cases during 2024-25.

Unscheduled Care

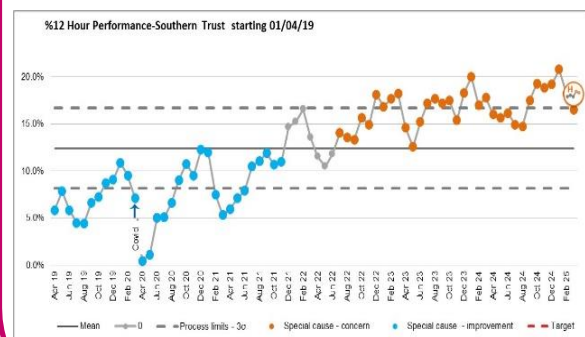
In 2024-25, the Southern HSC Trust has again been unable to achieve the performance targets previously set for the management of waits in Emergency Departments and flow to discharge through our hospital system due to the following reasons:

- 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 largely due to higher acuity levels and increased frailty, 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 12 Hours – Emergency Department



Patient flow through our hospital systems continues to be challenged and is more complex associated with a higher acuity and frailty 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.

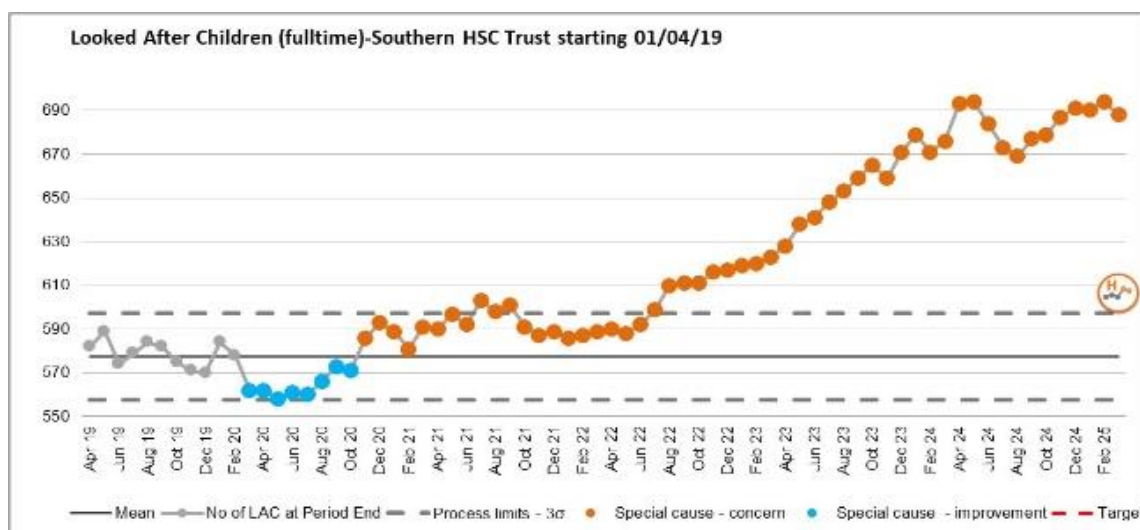
The implementation of the pilot Timely Care programme remains the Southern HSC Trust's key priority area of focus in regard to transforming unscheduled care performance. The Southern HSC Trust has designed and established a number of workstreams under the three Pillars of (i) Admission Avoidance & Decongestion of ED, (ii) Timely Care / Hospital Flow, and (iii) Timely Discharge / Community Capacity. The programme has now moved from the 'establishment' phase into the 'operational' phase with a key focus to include a Frailty Integrated Team, Single Integrated Discharge Team, Community Capacity, Trust Wide Approach to reinforce Home First.

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

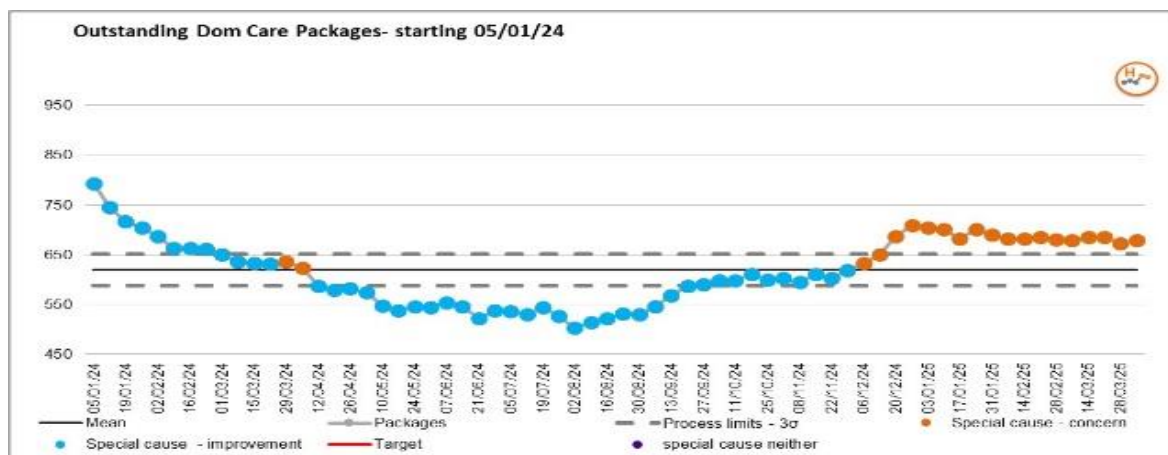


Mental Health Services

The inability to recruit Psychiatrists of Old Age has 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, Craigavon Area Hospital (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 DOH for consideration and the Southern HSC 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 the 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 2024-25

Financial Position

As predicted at the outset of the financial year, 2024-25 has been yet another extremely challenging year for the entire Health and 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 £26.34m. This target was carried forward on a recurrent basis into 2024-25. In addition, in 2024-25 a Medicines Optimisation savings target of £1.33m was set by SPPG.

The Southern HSC Trust has achieved financial balance in 2024-25 however this is against a backdrop of a number of significant opening pressures and growth during the year. This break-even achievement has only been made possible through additional funding for baseline deficits of some £37.6m from the Department of Health. This was provided in part to offset pressures carried forward from future years including unavoidable in-year pressures and growth in our services. Otherwise, the Southern HSC Trust would have had to consider implementing high impact service recovery measures to achieve break-even. The Southern HSC Trust achieved £22m savings through reductions in spend, in particular from a reduction in Nursing flexible spend with the full-year effect of the implementation of a Nursing framework contract to reduce Off-Contract Agency in 2023-24 contributing, alongside staff dedication and commitment and strong corporate governance and oversight following the implementation of the RISE (Reform, Improvement, Savings and Efficiencies) programme. 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 acuity and frailty of patients in our care. In 2024-25 the Southern HSC Trust forecasted a deficit position of £59m inclusive of the recurrent challenging savings target of £26.34m carried forward from 2023-24 with pressures attributable to Unscheduled Care demands, Urology Services Public Inquiry the stabilisation of Daisy Hill Hospital internal medicine and growth in demand for our services. Southern HSC Trust's approach to financial planning for 2024-25 was that of embedding and enhancing the in-year financial recovery which commenced in 2023-24 along with achievement of the 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.

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 to 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 DoH via the SPPG, 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 successful 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.

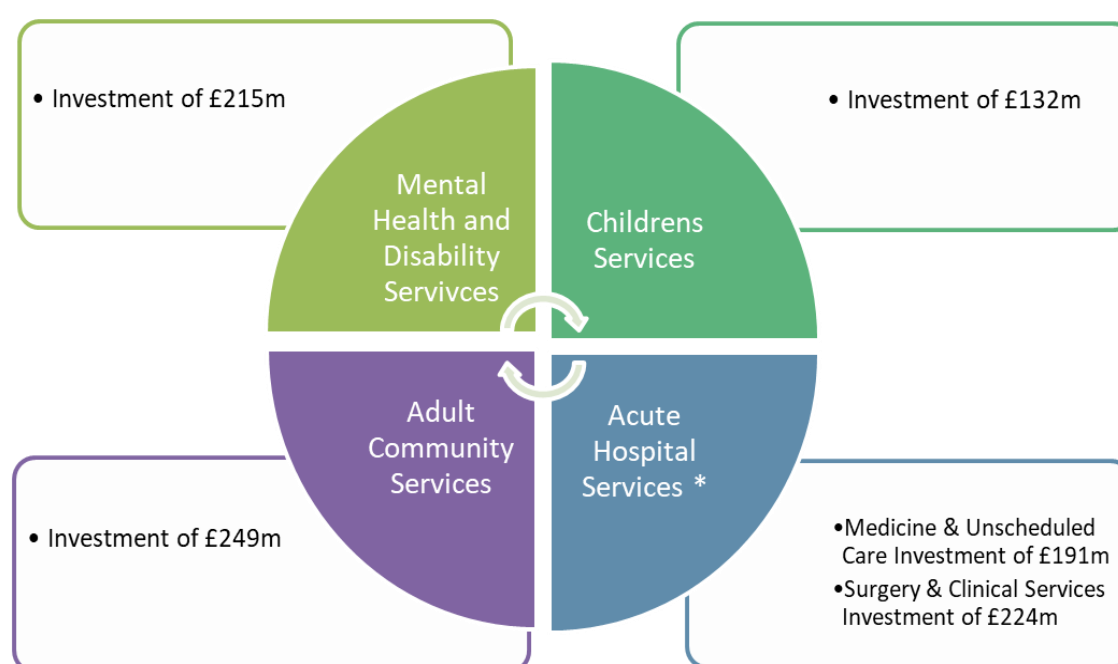
Following the Southern HSC Trust increase in forecast deficit and non-achievement of savings plan in 2023-24, the Department of Health commissioned an external review of the Financial Management and Governance arrangements within the Southern HSC Trust. This review made a number of observations and recommendations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

Income and Expenditure in 2024-25

The Southern HSC Trust receives the vast majority of its income, 95%, from the DoH, through SPPG and 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 resource expenditure in year was £1,131m, net of non cash adjustments. The chart below demonstrates how the majority of this was invested across a range of services during 2024-25.

Southern HSC Trust Investment Breakdown by Directorate



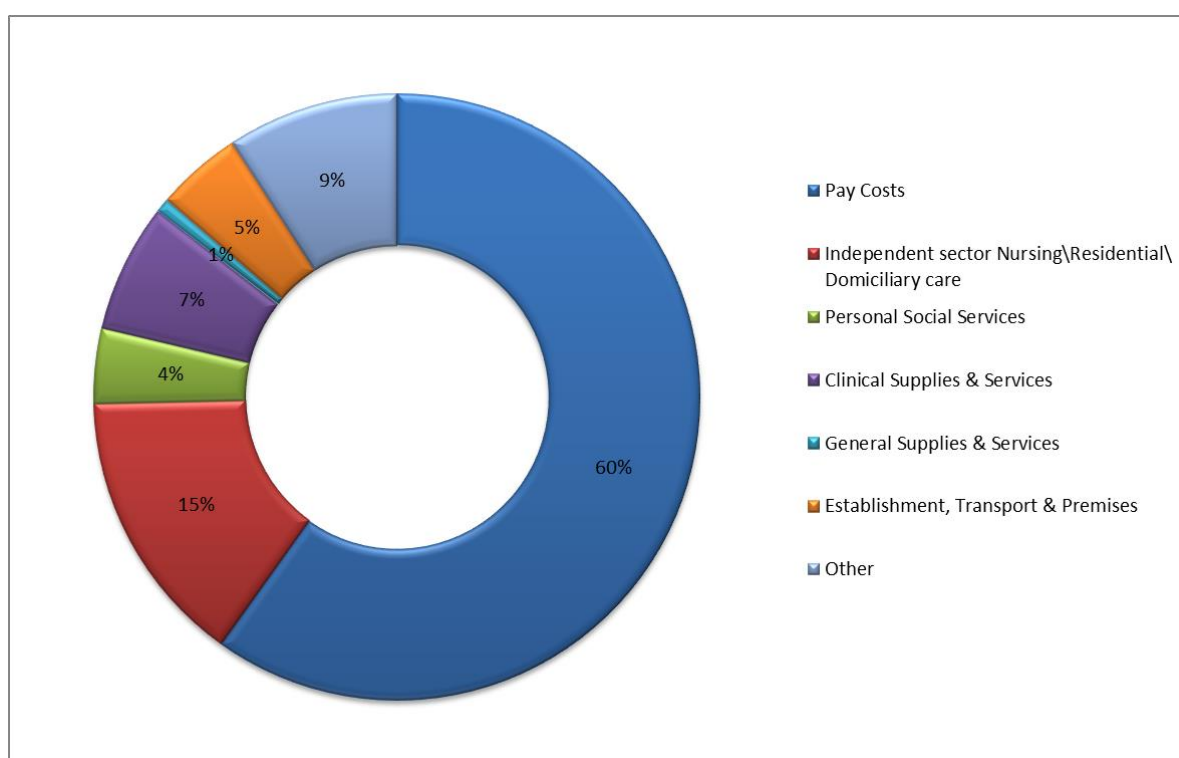
*** Acute Hospital Services covers both Medicine and Unscheduled Care and Surgery and Clinical Services.*

In addition, there are a range of supporting directorates which cost £120m in 2024-25, including Encompass at a cost of £2.8m.

Our staff costs are consistently the largest component of expenditure accounting for 60% of operating expenses. In 2024-25 we spent a total of £1,221m, £731m on pay costs with the balance of £490m on non-pay.

Within the pay costs total the Trust spent £149m on doctors and dentists, £234m on nurses and midwives and £120m on social work/social care and domiciliary staff. Significant spend on non-pay cost includes £93m for clinical and general supplies, such as drugs and medical equipment, and £181m 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 2024-25:



Expenditure remained within the Revenue Resource Limit (RRL) of £1,074m by £106k.

Capital Investment

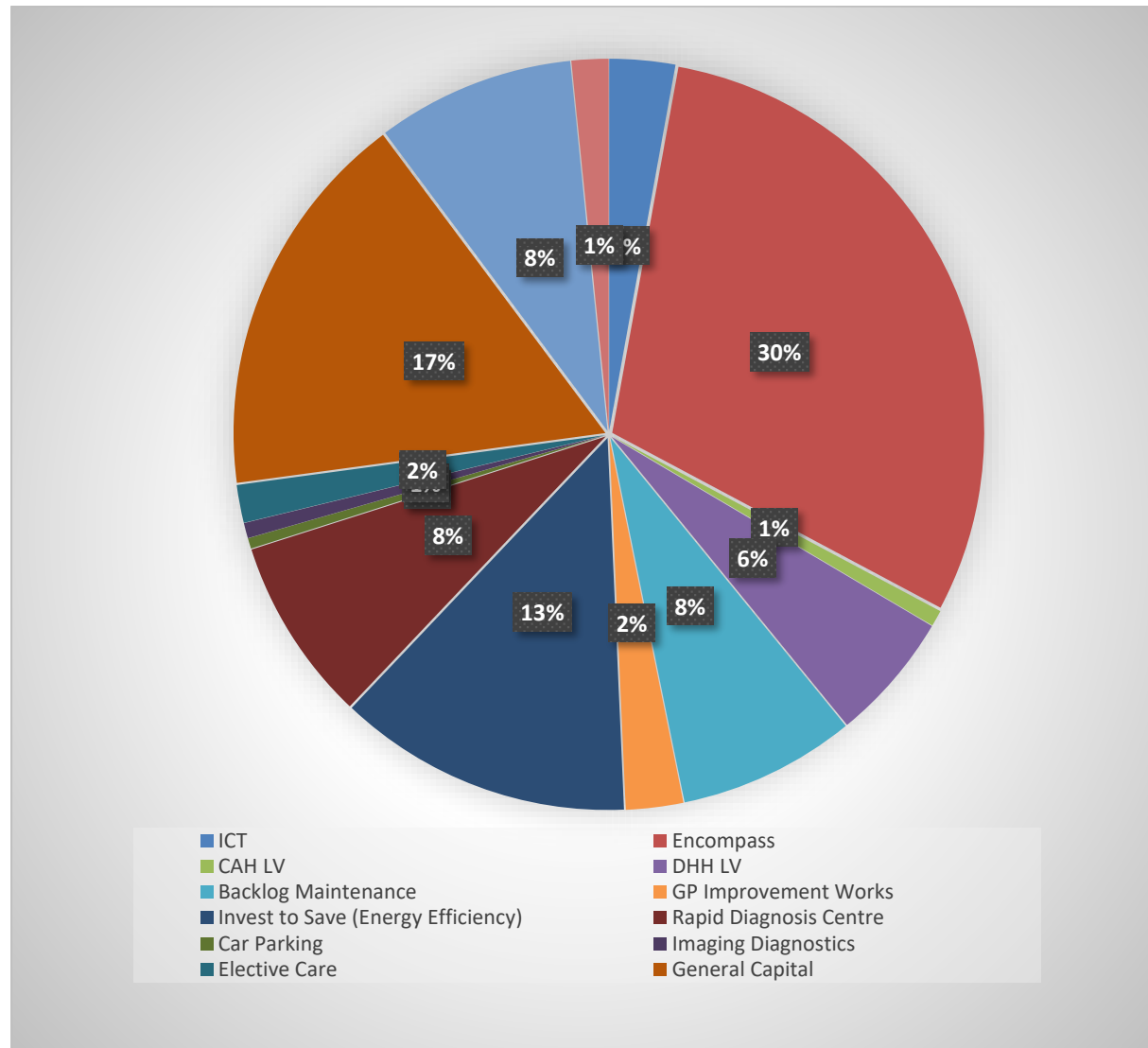
The Southern HSC Trust receives an annual capital allocation to help support the expenditure required to develop and maintain the infrastructure required to provide the facilities necessary for the provision of services to all our patients and clients.

The Southern HSC Trust had a capital allocation of £35.8m, for 2024-25, including £11.7m for Information Technology (inclusive of £10.7m Encompass spend), £4.6m for Invest to Save projects, £2.9m for a Rapid Diagnosis Centre at South Tyrone Hospital, Daisy Hill Low Voltage £2m and £6m for general capital requirements.

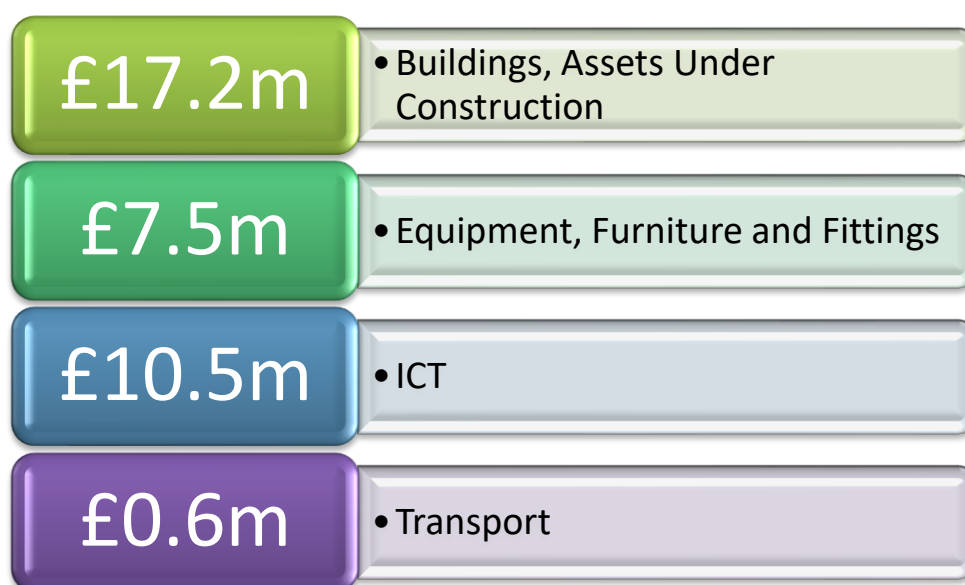
The Southern HSC Trust also secured additional capital investment to support a range of backlog maintenance schemes and remedial works.

The Chart below summarises how we invested our capital resource during 2024-25.

Southern HSC Trust Capital Investment 2024-25



The table below analyses the Capital spend over expenditure type:



The Southern HSC Trust was successful in investing 99.55% of its Capital Resource Limit.

Going Concern

The financial outlook for 2025-26 is very challenging. Southern HSC Trust is beginning the 2025-26 financial year with a substantial underlying funding gap.

Extensive budget planning work to support the 2025-26 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 2025-26 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 continuing to work on the development of a Financial Contingency Plan for 2025-26 and a Financial Recovery Plan in accordance with HSC Break-Even and Financial Recovery Circular Ref: HSC (F) 37 2023. The Southern HSC Trust will continue to reduce spend that has no/low impact on the services that we provide to ensure that we are making best use of our financial resources. 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.

The accounts are prepared on a going concern basis. While the consolidated statement of financial position reports a negative Statement of Comprehensive Net Expenditure (SCNE) Reserve of £70m (with an overall net asset position of £52m), this liability is resulting from the provision applied for holiday pay. The Trust has been advised by the DoH that this liability will be funded from central government. Therefore the Trust has concluded that it is appropriate to apply the going concern basis of accounting for the financial statements for the year ended 31 March 2025.

Budget Position and Authority

The Budget Act (Northern Ireland) 2025, which received Royal Assent on 6 March 2025, together with the Northern Ireland Spring Supplementary Estimates 2024-25 which were agreed by the Assembly on 17 February 2025, provide the statutory authority for the Executive's final 2024-25 expenditure plans. The Budget Act (Northern Ireland) 2025 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2025-26 financial year.

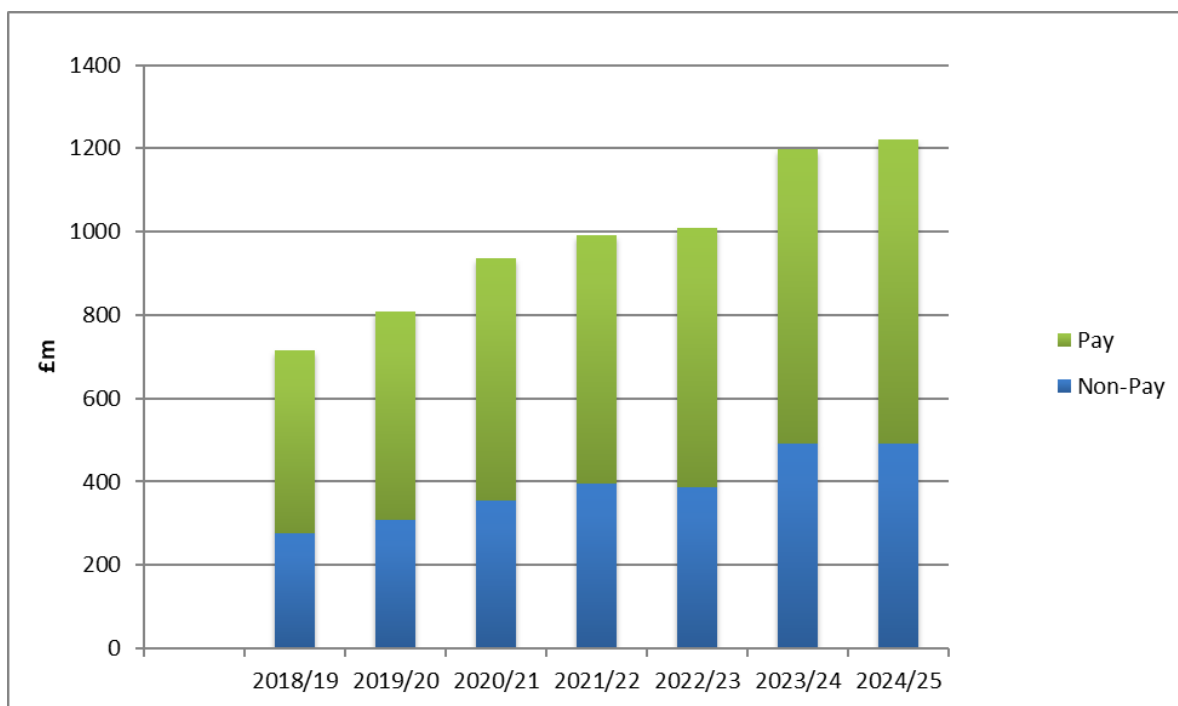
Long term Expenditure Trends and Plans

Revenue and Funding

The 2025-26 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.

Recurrent and repeatable savings plans will be carried forward from 2024-25 into 2025-26 in addition to plans to achieve other areas of efficiencies in 2025-26 in order to remain within a much reduced budget allocation. A Health and Social Care wide approach to delivering efficiencies and savings and increasing productivity is also being progressed to address the funding gap across the health system.

The table below shows revenue expenditure, broken down by pay and non-pay categories, incurred by the Southern HSC Trust from 2018-19 to 2024-25.



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 and the Newry CTCC, 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 Southern HSC Trust has seen an increase of 12.4% in the number of bills paid compared to prior year. The Southern HSC Trust can report that it exceeded its target this year paying 96.36% of invoices within 30 days, compared to 94.13% in 2023-24.

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:

	2025 Number	2025 Value £000s	2024 Number	2024 Value £000s
Total bills paid	392,252	526,286	348,981	500,182
Total bills paid within 30 days of receipt of an undisputed invoice or under agreed payment terms	378,074	487,842	328,479	464,908
% of bills paid within 30 days of receipt of an undisputed invoice or under agreed payment terms	96.39%	92.70%	94.13%	92.95%
Total bills paid within 10 day target	303,314	390,710	265,456	370,867
% of bills paid within 10 day target	77.33%	74.24%	76.07%	74.15%

The Late Payment of Commercial Debts Regulations 2013

	£
Amount of compensation paid for payment(s) being late	100
Amount of interest paid for payment(s) being late	-
Total	100

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.

The Southern HSC Trust can report that it has met and exceeded its target this year paying 96.4% of invoices within 30 days, compared to 94.1% in 2023-24.

During the current year, the Southern HSC Trust incurred charges of £100 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 121-122.

Donations and Fundraising

Charitable donations help us to improve the quality of care we provide to our patients and clients across the Southern HSC Trust. During 2024-25, the Southern HSC Trust received donations, income and legacies totalling £512k. The donated income is received mainly from former patients, clients and their relatives in recognition of the Southern HSC Trust's work and is expended on activities, in accordance with the Southern HSC Trust's Charitable Trust Funds procedures.

Examples of improvements the Charitable Trust Funds have supported financially during 2024-25 as a result of donations and legacies received include:

- ❖ Staff specialist training, including endoscopic retrograde cholangiopancreatography (ERCP) and endoscopic ultrasound (EUS) training, anxiety disorder training and a District Nursing Quality Improvement event – this is staff education over and above that which would normally be provided from public funds;
- ❖ Counselling services for patients with a cancer diagnosis;
- ❖ Furniture in Haematology services for added patient comfort; and
- ❖ Accredited Certificate in Dental Nursing for patients with special needs.

If you would like to make a donation to the Southern HSC 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 or visit our website at <https://southerntrust.hscni.net/get-in-touch/donating-to-the-trust>.

Research and Development

Research activity over the reporting period continues to grow, enabling the Southern HSC Trust to develop new treatments and interventions, that subsequently increase the quality of care provided to our patients and clients.

Performance delivery on studies have been exemplary, with several 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, research was undertaken by a variety of professions including Medical, Social Work, Nursing, Midwifery and Allied Health Professional staff. The Southern HSC Trust remains committed to supporting all staff undertaking research

as part of their academic studies and have a Clinical/Research field work placement for an undergraduate programme.

The Southern HSC Trust Research & Development (R&D) Plan was launched in June 2024 and clearly sets out our ambitious vision for R&D within and by the Southern HSC Trust in an all-encompassing 5-year plan. Six core themes (excellence, profile, partnerships, culture, infrastructures and people) identified outline the main areas of activity that will present opportunities for all and help us in becoming leaders in health and social care delivery within the UK and beyond.

Furthermore, the Southern HSC Trust have been awarded approximately £2m funding over the next four years to expand our infrastructure and human resources to deliver on commercial trial activity through a new dedicated Commercial Research Delivery Centre at Southern HSC Trust.

Work undertaken in all areas continues to demonstrate 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 Southern HSC Trust forward to meet our carbon and sustainability targets. Carbon and the road to Net Zero poses a significant challenge to the Southern HSC Trust which has been solidified by the introduction of the Climate Change Act (NI) 2022.

The 2024-25 year was the fourth year in our 5-year Trust strategy. This year's action plan has been developed to build on the work already achieved and to provide a more holistic approach to sustainability. As noted earlier in this report on page 9, sustainability of our Estate has been one of the strategic priorities of the Southern HSC Trust for 2024-25. A number of examples are 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 to reduce, where possible, procurement purchases and travel/ mileage. Together, these steps will work towards achievement of the Southern HSC Trust's 2030 goals.

Environmental Sustainability Strategy 2021-26

Through this strategy, the Southern HSC 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.

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.

The Southern HSC Trust continues to progress the targets set out in the Strategy and is the main driver for environmental improvements across the Southern HSC Trust.

Achievements during 2024-25 include:

- Installation of electric vehicle charging points;
- Energy saving solar panel installation programme currently now has 52 systems installed across the Estate with 10 systems installed in 2024-25;
- Promoting social value through Trust Contracts;
- Tree planting project completed with Woodland Trust - planting approx. 2,000 trees - no cost to the Southern HSC Trust and ongoing management and maintenance for 2 years;

- Implementation of Warp-It - furniture reuse scheme - saving approx. £60k per annum;
- Installation and operation of two compactors Trustwide - saving approx. £10k per annum;
- Developing the Sustainability team - Two Band 5 Sustainability Officers and two Band 2 Sustainability Maintenance Assistants - saving approx. £60k per annum;
- Achieved Silver Status level in the Business in the Community Environmental Survey – 2024;
- Working towards achieving Bronze level of Business in the Community Biodiversity Charter - first Health Trust in Northern Ireland;
- 10 habitat surveys completed Trustwide;
- 50 Bird boxes installed Trustwide to improve biodiversity;
- Biodiversity signage installed Trustwide;
- Lease of electric van for the Sustainability team;
- Green spaces developed Trustwide;
- Bringing environmental street furniture bins and litter picking in-house; and
- Review and reuse of white metal bins to reduce the £100k annual purchase cost.

The following details some of the projects taken forward during 2024-25 demonstrating continual improvement in environmental sustainability.

Travel and Transport

Staff travel has reduced due to more staff now working from home. The investment in IT facilities, telecommunication and virtual meetings has meant travel between sites has reduced.

Estates have installed a number of electric vehicle charging points across the Southern HSC Trust (30 in number) and continue to monitor demand. Focus is now on decarbonising the Southern HSC Trust's fleet of vehicles which will require significant capital investment.

Minimising waste

Waste is segregated at collection points into waste streams to comply with statutory requirements, recycling and to reduce costs.

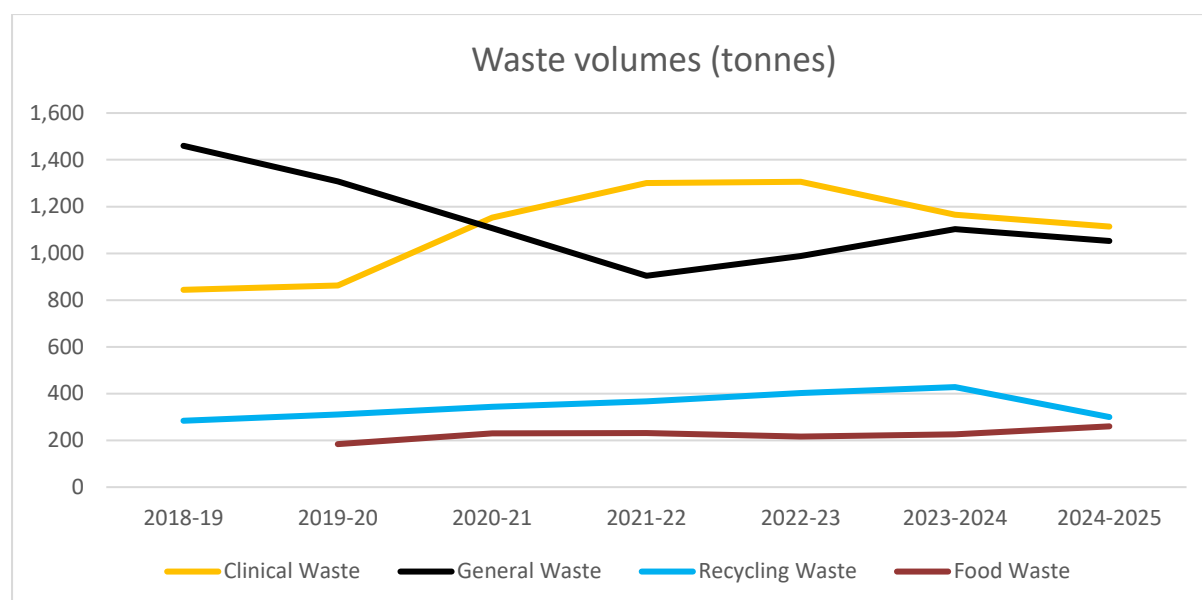
The Southern HSC Trust in 2024-25 generated 1,353 tonnes of domestic waste and 1,114 tonnes of clinical waste.

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

- Reduce overall waste tonnage by 1% per annum (6.67% reduction in 2024-25)
- Reduce clinical waste tonnage by 1% per annum (4.37% reduction in 2024-25)
- Reduce general waste tonnage by 1% per annum (4.53% reduction in 2024-25)
- Reduce food waste tonnage by 1% per annum (15.04% increase in 2024-25)

- Increase recycling tonnage by 1% per annum (29.9% reduction in 2024-25)

The Southern HSC Trust has not met all of these targets in 2024-25 as demonstrated in the graph below:



• Food waste

In 2024-25, 260 tonnes of food waste was collected across the Southern HSC Trust, which is a 34 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 electricity for their premises. However, the Southern HSC Trust is still not managing to reduce food wastage. An electronic ordering form was introduced in 2024-25 to help manage food waste on wards which will help to monitor and control ordering of meals. In 2025-26 the waste Management Group within the Southern HSC Trust will target areas of food waste to include ordering, food menus and areas with high waste levels to drive down food waste within the Southern HSCT Trust.

• Clinical waste

The clinical waste has reduced in 2024-25. It 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.

• General waste

The Southern HSC Trust achieved a recycling rate of 4.22% of cardboard (132.88 tonnes) and 8.58% of Mixed Dry Recyclables (270.54 tonnes). Overall, a recycling rate of **12.8%** (403.42 tonnes).

30% (296.93 tonnes) of the domestic waste is recycled (therefore the **Southern HSC Trust overall recycled 42.8%** (700.35 tonnes) of general waste. The remaining 70% (692.83 tonnes) of domestic waste is recovered going as a Refuse Derived Fuel (RDF) to cement kilns or provide energy from waste plants.

- **Other waste types**

Other waste types generated within the Southern HSC Trust include all skip waste, Waste Electronic and Electrical Equipment (WEEE) and other specialist waste types which are managed at the main hospital sites.

Sustainable purchasing of goods and services

The Southern HSC 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.

Green Spaces and Biodiversity

The Southern HSC Trust has enhanced the Estate working with the Woodland Trust and contractors to plant native trees at St. Luke's Hospital site.

Staff have also been encouraged to enjoy Green Spaces on or near our facilities for exercise, rest, relaxation and recovery.

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

In relation to the Energy Market, 2024-25 still posed a significant challenge for the Southern HSC Trust, UK and European wholesale gas markets from April 2024 to March 2025. They were characterised by significant price increases driven by geopolitical tensions and strategic shifts in energy sourcing and storage.

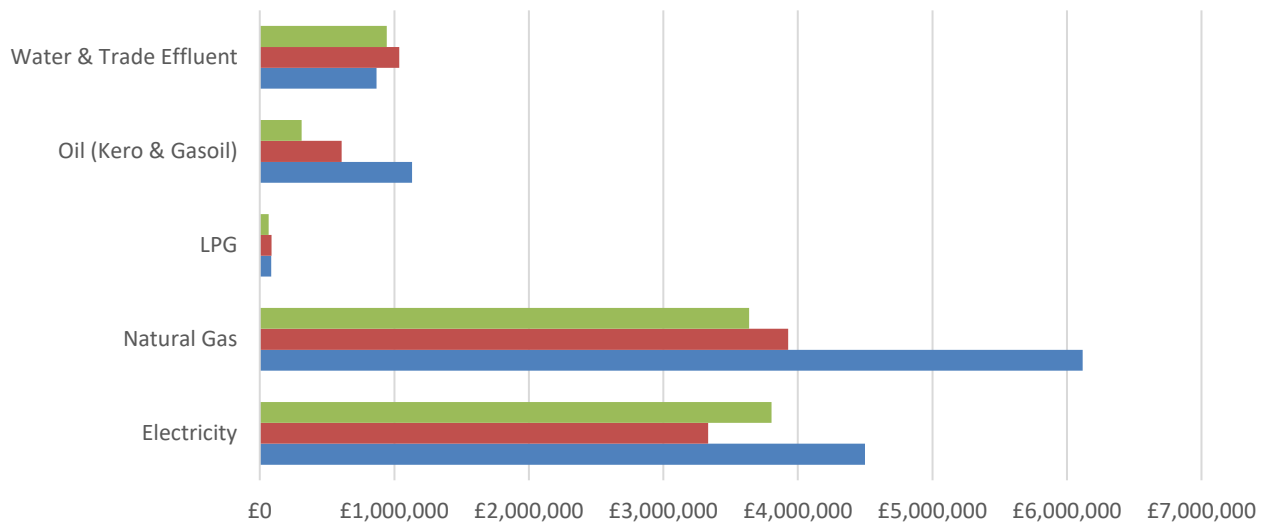
These factors collectively influenced market stability and had tangible impacts on consumer energy costs. In January 2025, the average gas price in the UK was approximately 123.02 pence per therm, marking an increase of about 50 pence compared to the same month in the previous year.

- **Energy Cost**

The Southern HSC Trust has seen a significant **2.6%** decrease in energy cost from 2023-24 vs 2024-25 shown below:

	2022-23	2023-24	2024-25
Total Energy Cost	£12,699,916	£8,993,608	£8,762,673

Utilities Costs 2022/23-2024/25

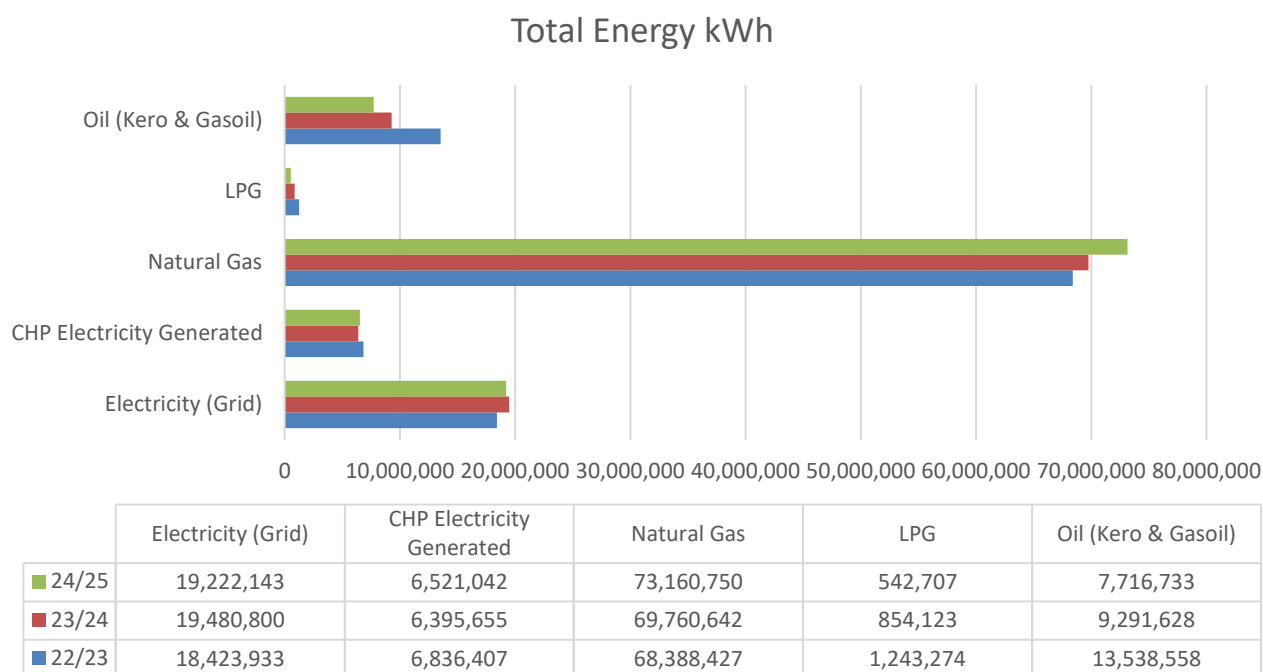


	Electricity	Natural Gas	LPG	Oil (Kero & Gasoil)	Water & Trade Effluent
■ 24/25	£3,802,979	£3,638,319	£66,404	£311,653	£943,318
■ 23/24	£3,331,958	£3,928,519	£87,868	£608,614	£1,036,649
■ 22/23	£4,499,196	£6,116,822	£85,145	£1,130,807	£867,945

This decrease has been achieved as a result of the significant efficiencies made within both the reduction of energy usage across the Trust in:

- (i) installing energy savings devices (LED light fittings), Building Management Systems (BMS) upgrades, increasing building insulation and window replacements
- (ii) by hedging market prices as part of a regional procurement and purchasing group to provide better value for money

Over the course of 2023-24 to 2024-25 the Southern HSC Trust worked on particular key strategic areas to deliver improved efficiencies by increasing its own generated electricity through the provision of Combined Heat and Power Plants (CHP) and by use of solar power renewables with 2,071 number photo voltaic panels being installed at Craigavon Area Hospital delivering 1.25MW of power.



LPG – Liquefied Petroleum Gas

CHP – Combined Heat and Power

The Southern HSC Trust has seen a 1.3% increase in total energy consumption from 2023-24 vs 2024-25 shown below:

	2022-23	2023-24	2024-25
Total Energy kWh	108,430,599	105,782,848	107,163,374

However, despite the small increase in energy usage, with the use of EUI (Electricity Use Intensity) and HUI (Heat Use Intensity) we can demonstrate an improvement in efficiency, with a **4% reduction** for Electricity and a **5.5% reduction on Heat**. These have been achieved by addressing the key strategic areas below throughout 2024-25:

Energy Efficiency and Carbon Reduction

- Optimised building systems to reduce reliance on Gas Oil, Kerosene, and Natural Gas.
- Implemented energy-efficient technologies such as LED lighting, advanced insulation, and Building Energy Management Systems (BMS).
- Reduced electricity consumption by upgrading outdated equipment and adopting energy-efficient medical devices.

Renewable Energy Adoption

- Transitioned from fossil fuels to renewable energy sources such as solar PV and heat pumps.
- Implemented opportunities for onsite renewable energy generation to reduce dependency on grid electricity e.g. 10 solar panel systems installed in 2024-25.

- Decreased reliance on volatile energy markets and water-intensive processes, the Southern HSC Trust can reduce exposure to price fluctuations and resource scarcity.
- Improved Water Conservation and Trade Effluent Management
- Reduced water consumption through water-saving devices and leak detection systems.
- Improved trade effluent treatment to meet environmental compliance and minimise discharge costs.

Engagement and Behavioural Change

- Fostered a culture of sustainability through staff engagement, training, and awareness campaigns.
- Promoted energy-saving behaviours across all levels of the organisation.
- Used advanced metering and monitoring tools to collect and analyse energy and water usage data.
- Leveraged data to identify inefficiencies, benchmark performance, and inform continuous improvement efforts.

Policy and Compliance Alignment

- Ensured alignment with Northern Ireland's regulations and policies, including the Climate Change Act (NI) 2022 and regional HSCNI Energy and Water management strategies.

Carbon Emission and Net Zero

Throughout 2024-25, the Southern HSC Trust has been focusing on transitioning the Southern HSC Trust Estate towards Net Zero carbon emissions by reducing reliance on fossil fuels, improving energy and water efficiency, and integrating renewable energy sources.

Total carbon emissions increased (from 18,449 to 18,740 tCO₂e), however, the carbon intensity (emissions per m²) improved, from 0.0686 to 0.0671 tCO₂e/m². This equates to a 2.2% improvement in carbon efficiency.

It is the ambition of the Trust to advance quickly and pioneer the transition to a low carbon healthcare estate. Therefore, the total **emissions reduction target by 2035 is 10,912 tCO₂e** from the base year 2016-17 of 20,984 tCO₂e.

In 2025-26 we plan to issue our Sustainability Strategy in line with the Trust's Vision and Strategy to 2030 which will provide a roadmap for sustainability and our journey towards a net zero carbon organisation

These improvements to our Estates will enable the Southern HSC 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.

We recognise that the availability of funding will be a constraint however the Southern HSC Trust is fully committed to delivering these targets and improving environmental sustainability.

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

- Performance Report
- Performance analysis

Signed:



Mr S Spoerry
Accounting Officer

Date: 26 June 2025

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 Southern HSC 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

Executive Directors



Dr Maria O'Kane

Chief Executive

Resigned 31 December 2024



Colm McCafferty

Acting Chief Executive/Executive Director of Social Work (From 1 January 2025 – 31 March 2025)

Director of Children and Young People's Services/Executive Director of Social Work (Until 31 December 2024)

Tel: 028 3839 8347

Colm.McCafferty@southerntrust.hscni.net



Steve Spoerry

Interim Chief Executive

Commenced 24 March 2025

Tel: 028 3756 0143

Steve.Spoerry@southerntrust.hscni.net



Heather Trouton

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

Deputy Chief Executive

Retired 3 October 2024



Dawn Ferguson

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

Commenced 16 September 2024

Tel: 028 3756 1913

Dawn.Ferguson@southerntrust.hscni.net



Catherine Teggart

Executive Director of Finance, Procurement and Estates

Temporary Accounting Officer from 25 November – 23 March 2025

Tel: 028 3756 0131

Catherine.Teggart@southerntrust.hscni.net



Dr Stephen Austin

Executive Medical Director

Tel: 028 3756 2287

Stephen.Austin@southerntrust.hscni.net

Directors



Vivienne Toal

Director of Human Resources and Organisational Development

Tel: 028 3756 0125

Vivienne.Toal@southerntrust.hscni.net



Margaret O'Hagan

Programme Director for Transformation and Improvement

Tel: 07879 847512

Margaretm.ohagan@southerntrust.hscni.net



Cathrine Reid

Director of Surgery & Clinical Services

Tel: 028 3756 1336

Cathrine.Reid@southerntrust.hscni.net



Trudy Reid

Director of Medicine and Unscheduled Care

Tel: 028 3756 1335

Trudy.Reid@southerntrust.hscni.net



Jan McGall

Director of Mental Health & Disability Services

Tel: 028 3883 3222

Jan.McGall@southerntrust.hscni.net



Donna Murphy

Interim Director of Children and Young People's Services

For period 20 January – 31 March 2025

Tel: 028 3756 6975

Donna.Murphy@southerntrust.hscni.net



Elaine Wilson

Director of Planning, Performance & Informatics.

Tel: 028 375 60114

Elaine.WilsonDoP@southerntrust.hscni.net



Brian Beattie

Director of Adult Community Services

Tel: 028 3756 0115

Brian.Beattie@southerntrust.hscni.net



Siobhan Hanna

Interim Programme Director for encompass

Commenced 1 November 2024

Tel: 028 3756 1466

Siobhan.Hanna@southerntrust.hscni.net

Non Executive Directors



Pauline Leeson, CBE

Chair of Governance Committee

Tenure ended 31 December 2024



Geraldine Donaghy

Chair of the Charitable Trust Funds Committee

Tenure ended 31 December 2024



Martin McDonald, MBE

Chair of Audit and Risk Assurance Committee

Tenure ended 31 December 2024



Rob Lynas

Chair of Patient and Service User Experience Committee

From 1 January 2025



Liz Ensor

Chair of Patient and Service User Experience Committee (Until 31 December 2024)

Chair of Audit and Risk Assurance Committee (From 1 January 2025)



Hilary McCartan

Chair of Finance, Performance and Workforce Committee

Tenure ended 31 December 2024



Jackie Johnston

Chair of Governance Committee

From 1 January 2025



Geraldine Browne

Commenced 1 January 2025



Chris Stewart

Commenced 1 January 2025



Michele Corkey

Chair of Charitable Trust Funds Committee

Commenced 1 January 2025



Alastair Hughes

Chair of Finance, Performance and Workforce Committee

Commenced 1 January 2025

A declaration of Board members' interests has been completed and is available on the Southern HSC Trust's website www.southerntrust.hscni.net. The Southern HSC 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 2025 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 125 to 129.

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 2025 which pertained solely to the audit of the accounts is £127,500, made up as follows, public funds £120,000 and Trust Funds £7,500. In 2024-25, the Southern HSC Trust incurred £1,830 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 2024-25 there were 7 data breach incidents reported to the ICO. Details of how the Southern HSC Trust manages information risk is detailed in the Governance statement on pages 62 to 96.

Complaints Management

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

In order to continually improve service delivery, the Southern HSC Trust encourage service users, family and carers to participate in providing feedback about their experiences of the care and treatment received. The Southern HSC 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 manner, using learning identified to improve services and the experience of people using our services.

Within the Southern HSC Trust it is the responsibility of all staff to utilise the information and trends from their complaints received to ensure learning and development takes place at a service and individual level. Information in relation to Complaints management is shared with the Southern HSC Trust Senior Leadership Team and Governance Committee. The number of complaints received for the financial year 2024-25 was 470 (2023-24: 681).

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

Rural Needs Act 2016

As outlined in the Rural Needs Act 2016, the Southern HSC 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 Southern HSC 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 Southern HSC Trust is preparing for reporting of information for the year 2024-25 in June 2025.

Non-Executive Directors' Report



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, four Non-Executive Director appointments were made to the Board of the Southern HSC Trust during 2024-25. I welcome the recent appointments of Mrs Geraldine Browne, Mrs Michele Corkey, Mr Alastair Hughes and Mr Chris Stewart. The tenure of the previous four Non-Executive Directors, Ms Geraldine Donaghy, Mrs Pauline Leeson, Mrs Hilary McCartan and Mr Martin McDonald ended on 31 December 2024.

The new Non-Executive Directors have undertaken a comprehensive programme of induction into their board role in the Southern HSC Trust.

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. Following the resignation of Dr Maria O'Kane on 31 December 2024, Mr Colm McCafferty (Executive Director of Social Work) held the temporary Chief Executive role until 31 March 2025 and Mr Steve Spoerry was appointed as Interim Chief Executive and took up post on 24 March 2025.

Six formal Trust Board meetings were held in public during 2024-25 when key aspects of Board business were considered under the themes of strategy, accountability and culture.

Trust Board Workshops

The Board held the following informal workshops during the year:

9 May 2024	Financial Planning
27 June 2024	Finance Training for Board Members
24 October 2024	<ul style="list-style-type: none">Review of Medicine and Unscheduled Care 2023-24 Financial OverspendSouthern HSC Trust Financial Management and Oversight, Learning and Missed Opportunities Review
13 February 2025	Regional Cyber Security training for Board Members

Committees

Trust Board is supported by seven Committees all of which are chaired by a Non-Executive Director. The change to Committee Chairs from 1 January 2025 is as follows:

Audit and Risk Assurance	Mrs Liz Ensor (Non-Executive Director)
Governance	Mr Jackie Johnston (Non-Executive)
Finance, Performance and Workforce	Mr Alastair Hughes (Non-Executive)
Charitable Trust Funds	Mrs Michele Corkey (Non-Executive)
Patient and Service User Experience	Mr Rob Lynas (Non-Executive Director)

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 Directors' commitment to their role can be evidenced in the following ways:

- Committee Chair report to Trust Board
- Leadership Walks
- Children's Homes Visits
- Corporate Parenting
- Participation in the recruitment of Directors
- Chairing Consultant recruitment panels

Designated Non-Executive Director roles

The following Non-Executives have been assigned to the following designated roles:

- Mr Jackie Johnston, Designated Non-Executive for Whistleblowing
- Mr Chris Stewart, Designated Non-Executive Safety champion for Maternity
- Mrs Michele Corkey, Designated Non -Executive for Adoption Panel
- Mr Rob Lynas, Designated Non-Executive for Medical Appraisal and Revalidations

Looking Ahead

We recognise the significant challenges that face Health and Social Care and the necessary 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 accounts 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, Statement of Financial Position 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; 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 designated Mr S Spoerry, Interim Chief Executive of the Southern HSC Trust as the Accounting Officer for the Southern HSC Trust. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Southern HSC Trust's assets, are set out in Managing Public Money Northern Ireland (MPMNI) published by the HM Treasury.

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 Southern HSC 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 2025

1. Introduction/Scope of Responsibility

The Board of the Southern HSC Trust (the Trust) is accountable for internal control and governance within 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 DoH.

In delivering these responsibilities, I am accountable for the Trust's performance to the DoH via the 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 Service User Experience Committee;
- Finance, Performance and Workforce Committee; and
- Strategy and Transformation Committee.

All committees operate under clear terms of reference and reporting mechanisms, ensuring effective scrutiny and governance. Committee structures are reviewed annually to ensure they remain aligned with best practice.

In order to improve and assure the quality, safety, satisfaction, effectiveness and efficiency of services, the Trust works in partnership with the SPPG, 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 Commissioner 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 meetings arrangements;
- regular meetings with Trade Union colleagues and Trust management teams;
- fora including the regional Children's Service Planning Project Board that include HSC partners, community/voluntary sector representatives and other statutory agencies such as Department of 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;
- 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;
- Senior Leadership and partnership working with councils in support of local Community Plans and emergent development of the Integrated Care System;
- regular meetings in relation to the integrated care system and formation of the Area Integrated Partnership Boards;
- liaising 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; and
- engagement through the co-production approach was 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.

The Trust is reviewing its governance arrangements against the requirements set out in the **Corporate Governance Code of Good Practice NI (February 2025)** and an assessment will be carried out during the year against this. The Board is satisfied that it complies with the principles of good governance, including leadership, effectiveness, accountability and sustainability.

The Trust also ensures its governance statement complies with **Managing Public Money Northern Ireland (MPMNI)**, including the expectations set out in Annex 3.1, and with the structure and content guidance outlines in the **DoH ALB Manual of Accounts 2024-25**. These documents have shaped the governance framework and the preparation of this statement, ensuring it reflects current standards and reporting requirements.

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 defines the respective roles and responsibilities of the Trust and the DoH including the mechanisms for oversight, assurance, and performance monitoring. In particular, it explains the overall governance framework within which the 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. The Trust maintains an engagement plan as part of the Partnership Agreement, facilitating structured collaboration with the DoH through formal performance meetings, strategic planning discussions and issue-specific working groups.

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

To meet the requirements in 'Managing Public Money NI' and good governance best practice, the Trust Board undertakes regular assessments, both internal and external, of its own effectiveness. During 2024/25 the Board participated in a BSO Internal Audit of Board Effectiveness when a satisfactory level of assurance was provided.

The Board is satisfied that it complies with the principles of effectiveness in the recently issued Code of Good Practice, as evidenced by the BSO Internal Audit Board Effectiveness satisfactory assurance result.

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 has agreed that the Southern Health and Social Care Trust Board Governance and Self-Assessment can be deferred to the 2025/2026 year to allow for a bedding in period of the new Board.

In line with MPMNI Annex 3.1.6, the Board commits to undertake an annual review of its processes and practices for the 2025/26 cycle, assurance will be provided through the mid-year assurance statement that an assessment is being completed, actions are being addressed and that any exception issues will be raised with the Department.

Governance Framework

A revised Integrated Governance Assurance Framework was approved by Trust Board in September 2024. The Integrated Governance and Board Assurance Framework outlines the Board's structure and processes for integrated governance and specifies the organisational and accountability arrangements that ensure fulfilment of the Board's responsibilities. 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. The following describes in more detail the role of the 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, the Trust's Annual Corporate Plan for 2024/25 has just concluded. Throughout the year, a new Trust Vision and 5-year strategy for 2025 – 2030 was co-produced and approved by the Board in March 2025.

During 2024-25, the Trust Board continued to meet regularly in public, both virtually and face to face. Six 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 51-58). The table below also reflects these changes as well as members' attendance. Board membership was stabilised during 2024-25 with the appointment of 4 new Non-Executive Directors and a new Interim Chief Executive. During 2024-25 four Board workshops were held.

Name of Board Member	Attendance
Non-Executive	
Ms E Mullan, Chair	6/6
Ms G Donaghy (until 31 December 2024)	5/5
Mrs P Leeson (until 31 December 2024)	5/5
Mrs H McCartan (until 31 December 2024)	3/5
Mr M McDonald (until 31 December 2024)	4/5
Mrs L Ensor	6/6
Mr R Lynas	6/6
Mr J Johnston	5/6
Mrs G Browne (from 1 January 2025)	1/1
Mrs M Corkey (from 1 January 2025)	1/1
Mr A Hughes (from 1 January 2025)	1/1
Mr C Stewart (from 1 January 2025)	1/1
Executive Director (Voting)	
Mr S Spoerry, Interim Chief Executive (from 24 March 2025)	0/0
Dr M O'Kane, Chief Executive (until 31 December 2024)	4/5
Mr C McCafferty, Acting Chief Executive (from 1 January 2025)	
Director of Children and Young People's Services / Executive Director of Social Work	6/6
Dr S Austin, Executive Medical Director	6/6
Ms C Teggart, Executive Director of Finance, Procurement and Estates	6/6
Mrs H Trouton, Executive Director of Nursing, Midwifery, AHPs and Functional Support Services and Deputy Chief Executive (until 3 October 2024)	2/3
Mrs D Ferguson, Interim Executive Director of Nursing, Midwifery, AHPs and Functional Support Services (from 16 September 2024)	1/2
Director (Non-Voting)	
Mr B Beattie, Director Adult Community Services	6/6
Ms J McGall, Director of Mental Health and Disability Services	6/6

Name of Board Member	Attendance
Director (Non-Voting)	
Mrs C Reid, Director of Surgery and Clinical Services	5/6
Mrs T Reid, Director of Medicine and Unscheduled Care	6/6
Mrs V Toal, Director of Human Resources and Organisational Development	6/6
Ms E Wilson, Director of Planning, Performance and Informatics	5/6
Mrs M O'Hagan, Programme Director for Transformation and Improvement	5/6
Mrs D Murphy, Interim Director of Children and Young People's Services (from 20 January 2025)	1/1

The Changes in Director appointments during the year are fully described in the Directors' Report on pages 51 to 58.

The Board Committee structure

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 on an annual basis. These Committees review, scrutinise and challenge the information they receive 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 supports the Trust Board and my role as Accounting Officer with regard to our responsibilities for issues of risk management, 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 uses 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 2024-25. 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 2023-24 year in June 2024 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 6 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 (including the Chief Executive).

The Committee provides a second line of assurance within the Integrated Governance and Assurance Framework. Its purpose is to support the Trust Board to ensure robust governance processes are in place across the whole of the Trust's activities that support the achievement of the Trust's strategic objectives. This includes a regular review of the Trust's corporate and clinical social care governance system.

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.

Charitable Trust Funds Committee

The Charitable Trust Funds 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 Service User Experience Committee

The Patient and Service User 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 service user experience and ensures strong linkages between PPI, patient and service user 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 Service User Experience 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 Service User 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

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 has agreed a work-plan for specific Financial, Performance and Workforce Analysis against which reports will be submitted to Committee during 2025 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 Strategy and Transformation Committee was established in 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 page 97.

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. The Trust's Annual Plan 2024-25, aligned with its longer-term Strategy 2030, sets out the year-zero stabilisation priorities and strategic enablers. These include a focus on safe services, financial recovery, digital readiness, co-production, and estate sustainability. Directorate and service-level implementation plans translate these priorities into actionable targets and underpin the Trust's performance and assurance mechanisms.

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 Annual Plan 2024-25 is set in the context of the Trust's new Vision and Strategy for 2030, this plan commences the start of our journey to change the culture of our organisation and provide a model of health and social care which is sustainable into the future.

This year our emphasis has been on stabilisation including a focus on developing key enablers and starting the service reform that is required to secure a sound basis for our journey to a more positive future. The focus for the 2024-25 Plan has been on the following key priority areas:

- ▶ Ensure Safe Services while delivering financial recovery
- ▶ Strengthen Financial and Governance Systems

- ▶ Digital Readiness
- ▶ Sustainability of Our Estate
- ▶ Embedding Our Co-production Approach
- ▶ Delivery of Year 3 of Our People Framework
- ▶ Unscheduled Care Transformation and Reform
- ▶ Improved Access to Services
- ▶ Focus on developing services provided in the community

Supporting the priorities identified in our Annual Plan 2024-25 each of the directorates sets out their annual directorate plans for achievement. The linkages between plans at Corporate and Directorate level are clearly stated, with a clear understanding and connection at Directorate, Team and individual level. A process of engagement with Directorate teams has been completed and specific actions and measures aligned to each service area have been identified to be undertaken in the delivery of the Annual Plan 2024-25.

This one-year plan provided further bridging whilst we continue our engagement 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.

Our longer-term Vision and Strategy 2030 will be aligned to the Programme for Government (PfG) 2024-27. The delivery of our Vision and Strategy will help the Trust to deliver against the agreed PfG priorities in relation to reforming and transforming health and social care.

A Service Delivery Plan 2024-25 was developed 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 2024-25 are in the Performance Analysis from page 12.

The SOF and SOMs were issued to the HSC in July 2024 as part of the 2024-25 Strategic Priorities document. The SOF and SOMs have been developed following the standing down of the Commissioning Plan Direction/Commissioning Plan process for setting the strategic direction to the system and they also replace the HSC SDP which was introduced to monitor the HSC's return to pre-COVID levels of activity. The SOF sets out the long-term direction to the system and the SOMs convey the shorter-term priorities. Monitoring and reporting of the SOF/SOMs will be effective from 1 April 2025 and, from the same date, the HSC SDP and associated monitoring and reporting arrangements will cease.

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 monitors 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 a Risk Management Strategy.

Risk Registers are maintained at Service, 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 of 31 March 2025, there are 31 identified risks, of which 8 are assessed as Extreme, 14 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 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 Risk Management Strategy also sets out the risk appetite of the organisation which is expressed by a series of boundaries, authorised by the Senior Leadership 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.

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 adverse 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) approve data sharing, and a Senior Information Risk Owner (SIRO) (Director of Planning, Performance & Informatics) with overall responsibility for managing information risk across the Trust is 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 2024-25 the Trust reported 7 data breaches to the Information Commissioner's Office (ICO); and
- Annual review of risks and assurance from IAOs. IAOs identified and documented 38 new risks associated with personal/personal sensitive information. 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 Information Governance team support staff in understanding and managing information risk and provide support and advice. As at 31 December 2024, 88% 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 Cyber Security. Further detail on this is included on pages 91-92.

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 2024-25, there were 24 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. 20 (83%) of the 2024-26 reported cases involved staff pay and allowances claims. There have been a further 5 cases identified during 2024-25 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 PPI/UI, Patient Service User Experience (PSUE) and Quality Improvement strategic agenda and operational plans.

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

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

Over the past year, the User Involvement Team has continued to work in partnership with staff, service user and carer representatives to support further embedding the practice of involvement throughout the Trust.

A total of 554 staff and service users have completed PPI training in the year to date. A co-produced and co-delivered Senior Leaders PPI training programme was introduced in recent months and a total of 22 staff at Band 8B and above have completed this training to date.

The Trust's Community of Involvement continues to provide the opportunity for Trust staff, service users and carers to connect with each other to engage in shared learning on involvement and to recognise and celebrate examples of good practice. The User Involvement team supports colleagues to identify and report on involvement practice to provide assurance through the PHA/DoH monitoring process.

This year, we facilitated several 'Human Library' events to enable service users to directly contribute to the assurance and monitoring process. The Human Library methodology provides a safe space for Service Users, Carers and Staff to share their lived experience of their Involvement, how they personally found it, the challenges, benefits and impacts. It is a chance to bring to life the work that might not otherwise be captured through a solely quantitative analysis. It provides the opportunity to present a more rounded, holistic perspective and understanding of the Involvement working going on with a Trust.

In its monitoring report on the Trust's commitment to supporting engagement and involvement, the PHA states "It is evident that there is a wide and diverse range of Involvement work going on in the Trust and an organisational commitment to grow and develop this further."

Register of Involvement

The User Involvement team has developed a service user register to ensure that service user and carer voices and experiences are at the heart of decision making. Further to an internal review and data cleansing exercise, there are currently 35 registered service users and carers trained in and supporting involvement practice and development across the Trust. The User Involvement Team continues to work with Trust staff, service users and local communities to promote opportunities for involvement and encourage sign-up to the register.

There are currently 135 user involvement projects and opportunities embedding the principles of co-design and co-production across the Trust.

Examples of service user involvement include:

- Care Experience Hubs within 5 operational Directorates;
- User Involvement Communication plan (external website/SharePoint);
- Embedding the framework for the Medical Revalidation Board;
- Regional Health & Social Care PPI Involvement Forum;
- Implementation of PPI/UI Corporate Action Plan for 2023-25;
- User Involvement Governance Framework 2023-25;
- Community of Involvement events;
- What's on your Agenda? - Senior Leaders Training;
- User Involvement Champions Training;
- Co-Production Week 2024;
- Hear Our Voice;
- Presentation to Trust Board;
- ED Early Pregnancy New Pathway Implementation; and
- Elective Care Hub at Daisy Hill

The User 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

User Involvement Champion

The Trust has established a new network of User Involvement Champions. Champions are staff members who have received training and support to promote and advocate for involvement within their service areas. To date, 20 staff have received induction training for this role.

Working Together Strategy

The Trust's Working Together Strategy provides an integrated plan for improvement through involvement.

Progress on the strategy is reported to the Patient and Service User Experience Committee and to Trust Board.

The Care Experience Hubs for each of the 5 operational Directorates are functioning well with representation from service users and carers. The Hubs embed learning from feedback using 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. In year, there have been 20 improvement projects taken forward across the hubs.

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 informed the updated version of the Board Assurance Framework which was presented to Trust Board and approved in January 2025.

The Trust applies a structured Three Lines of Assurance model. First-line assurance is provided by operational teams delivering care and managing risks directly. Second-line oversight is exercised by Trust committees, directorate structures, and governance leads. Independent and objective third-line assurance is delivered through Internal Audit, External Audit, and regulatory bodies such as RQIA. This model strengthens assurance across all levels and enhances Board confidence in internal controls.

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);
- UK Accreditation Service (UKAS);
- Royal College of Radiologists (RCR);
- 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 2024-25 Internal Audit reviewed the following systems:

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE
Corporate Risk Audits:	
Management of Patient Journey Management of Outpatients (including virtual clinics)	Satisfactory: Management of Outpatient Appointments (in Cardiology, Rheumatology, and Gynaecology) Limited: Management of Outpatient Appointments and Triage Management in General Surgery
Management of Emergency GI Bleeds	Limited
Internal Performance Management	Satisfactory
Management of Medical Equipment	Satisfactory
Safeguarding of Boarded Patients	Limited
IT Audit	Satisfactory
Governance over encompass go/no-go live Decisions	Satisfactory
Governance Audits:	
Board Effectiveness	Satisfactory
Compliance with Standards and Guidelines	Satisfactory
Occupational Health	Satisfactory
Complaints Management	Limited
Finance Audits:	
Payments to Staff - (within the Directorate of Children and Young People Services and general sampled payroll controls trust wide)	Satisfactory
Non-Pay Expenditure - Medicine & Unscheduled Care	Satisfactory: Non-Pay Expenditure controls within the Medicine & Unscheduled Care Directorate and Retained

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE
	Finance (with the Exception below) Limited: Management of Agency Locum Expenditure
Budgetary Control	Satisfactory
Estates Procurement & Contract Management	Satisfactory
Cash Management in Cash Offices	Satisfactory
Financial Assessments	Satisfactory
Self Directed Support Payments	Satisfactory (with exception of Access NI Checks) Limited: Access NI Checks
Management of Contracts with the Voluntary Sector	Satisfactory
Client Monies in Independent Sector Nursing Homes - Inc Adult Supported Living	Satisfactory: Management of Client Monies in 5 of the 7 homes visited and Trust Monitoring Arrangements of Residents/Service User Finances Limited: Management of Client Monies in 1 of the 7 homes visited Unacceptable: Management of Client Monies in 1 of the 7 homes visited
Client Monies and Cash Valuables Handling in Social Services Setting	Satisfactory: Management of Client Monies and Cash Handling at 6 of the 8 facilities Unacceptable: Management of Client Monies and Cash Handling at 2 of the 8 facilities
Management of Private Patients, Paying Patients and Change of Status Patients	Limited

Consultancy/Non Assurance Assignments

One assignment was undertaken during the year to review the Contract Management Governance and Assurance Function.

Internal Audit conducted a substantive follow up of the implementations made in the 2022-23 Contract Management Governance and Assurance Function Internal Audit

Advisory Report. In addition, the Trust's preparation for the implementation of the new Public Procurement Act 2023 which came into force in February 2025 was considered.

Whilst the majority of recommendations made in the 2022-23 report have been implemented, a number remain partially implemented. Significant work has been undertaken to address the risk that contracts are not being appropriately managed, however, significant work is still required for the Trust to have assurance that all contracts are being appropriately managed.

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. 97% of these recommendations were fully or partially implemented at the year-end. Of the 3% of recommendations not implemented, there was one priority one recommendation relating to the interpretation of the DOH revenue business case circular guidance where regional discussions remain ongoing with the DOH.

In addition, there are 6 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.

The Trust has made significant progress in the implementation of outstanding internal audit recommendations in the current year with 90% of the 97% being fully implemented recommendations. The Trust continues to closely and regularly monitor the status of outstanding internal audit recommendations by the Trust Internal Audit Forum, Senior Leadership Team 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	Satisfactory
Accounts Payable Shared Service	Satisfactory
Business Services Team	Satisfactory
Recruitment & Selection Shared Service	Satisfactory

The BSO Payroll Shared Services Centre (PSC) has received satisfactory assurance in relation to the Payroll Service in 2024-25. Satisfactory assurance has been provided on the basis that Standard Operating Procedures (SOPs) are in place for the majority of payroll processing and no significant errors in processing in line with these SOPs were found in the course of sample testing. PSC has a documented Service Level Agreement (SLA) with customers and roles and responsibilities for processing are

generally clear. Internal Audit has assessed the majority of outstanding Internal Audit recommendations as implemented, indicating management attention and focus on service improvement. This is the first time that Internal Audit has been able to provide a Satisfactory assurance over the full scope of the internal audit of PSC and this recognises improving governance, risk and control procedures in PSC over recent years.

The Trust will continue to review the outcome of Shared Services audits at the Audit and Risk Assurance Committee.

Overall Opinion for 2024-25

In her Annual Report, the Head of Internal Audit provided **Satisfactory** assurance on the adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Satisfactory assurance has been provided in the majority of the audits conducted in 2024-25, including in core areas such as Board Effectiveness, Performance Management, Compliance with Standards and Guidelines and Payments to Staff. The Head of Internal Audit acknowledges the extensive work undertaken to implement 90% of outstanding Priority 1 and 2 recommendations by year end and to address the reasons for overall Limited assurance in 2023-24. The Head of Internal Audit advises the Trust to sustain regular Management attention on the implementation of outstanding audit recommendations, particularly the significant audit recommendations going forward.

Details of the significant issues identified within the Limited and Unacceptable assurance reports provided to the Trust in 2024-25 are noted below. Management have agreed appropriate timescales for all of these issues to be addressed going forward.

Management of Client Monies in Independent Sector: Satisfactory assurance was provided in relation to the Management of Client Monies in five of the seven Independent Sector facilities visited. There were significant issues in two of the seven facilities visited, one receiving limited assurance and the other unacceptable assurance due to a significant number of control issues found, including excessive bank balances and lack of appropriate approval for expenditure.

Complaints Management: Limited assurance was provided in this area, primarily due to risks identified around appropriate training of complaint investigators, limited assurance that learning is shared and lack of a standardised approach to retention of documentation.

Management of Emergency GI Bleeds: A Limited assurance arose in this area, as the care pathways for the management of Emergency GI Bleeds are not documented within the Trust and there were concerns raised regarding the management of emergency endoscopy lists.

Non-Pay Expenditure - Medicine & Unscheduled Care: Limited assurance was provided in relation to expenditure on non-contracted agencies for medical locums and the extent of usage of off framework rates.

Self Directed Support Payments: Limited assurance has arisen due to a lack of Access NI checks being available for Personal assistants engaged to work with Trust clients in Learning Disability and Children and Young People's Programmes of care.

Client Monies and Cash Valuables Handling in Social Services Setting: Unacceptable Assurance was provided in respect of 2 Children's residential facilities: Cedar Grove and Bluebell House. In Cedar Grove financial records and ledgers were poor and incomplete. There was inadequate control over cash handling and proper processes were not in operation. With respect to Bluebell House, similarly the financial records and ledgers were also poor, inconsistent and unorganised. Again, there was little control over cash handling and proper processes were not in operation.

Management of Private Patients, Paying Patients and Change of Status Patients: Limited assurance was provided as the Change of Status process within the Trust is not being followed as defined within Trust procedures and there is limited management oversight of the transfer of private patients to NHS waiting lists.

Safeguarding of Boarded Patients: Limited assurance has arisen as the risk assessment document to ensure boarded patients are managed safely is in place but was not used in all areas. In addition, patients waiting in ED for admission have limited access to bathrooms with no showering facilities and there are regular incidents being reported which refer to non-availability of beds and closure of location.

Management of Outpatients: Limited assurance has arisen as delays in the General Surgery – surgical rota mean that clients may not be booked in chronological order and secondly triage in General Surgery was not always completed on a timely basis. Failure to triage in a timely manner, particularly red flag referrals, can have a detrimental impact on patient diagnosis, treatment and outcome.

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 and Risk Assurance Committee. There was one priority 1 recommendation reported.

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 provided 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.

All RQIA reports and Quality Improvement plans are shared at Senior Management team meetings.

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.

Mortality

The Trust benchmarks performance against inpatient mortality rates in partnership with CHKS Ltd. The Trust's quarterly mortality review process with the analysis completed by CHKS benchmarking using data supplied by the Trust, other Trusts in Northern Ireland and NHS England. The most recent report received (period July 2023 – June 2024) provides the following assurances:

- The Trust's Risk Adjusted Mortality Index (RAMI) for this period lies below peer organisations.
- The Trust's RAMI lies below the lower confidence limit compared to the peers indicating a significantly lower than expected number of deaths. The RAMI is also lower than all other trusts in Northern Ireland.
- The Trust ICU mortality rate for the reporting period generated no alerts with all measures within the expected range.
- The Data Quality shows that the Trusts data quality is above peer organisations.

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 2024-25 – the Trust participated with the rest of the region in NHS Benchmarking Managing Frailty Project – the regional launch event for this was held on 6 March 2025 and so locally the findings are to be reviewed and taken forward.

Some of the key findings from the Benchmarking Managing Frailty Project are:

- Trust percentage of total 2023-24 non-elective admissions patients aged 65+ is lower than the regional and England Peer average.
- Trust percentage of non-elective admissions with a length of stay of 7+ days (patients aged 65+) are in line with regional peers however slightly higher than the England peer average.
- Trust percentage of non-elective admissions with a length of stay of 21+ days (patients aged 65+) is lower than the regional and England Peer average.

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. Based on 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 blood 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 management letter and other reports.

The Governance Committee and the Audit and Risk Assurance Committee have provided robust oversight throughout the year, receiving regular assurance updates, reviewing risk management processes and monitoring implementation of audit recommendations. Internal Audit completed a programme of work, the results of which have informed this review.

The Trust continues to embed a culture of continuous quality improvement, guided by the Trust's Strategy 2030 themes – Start Well, Live Well and Age Well – and led by staff and service users working collaboratively to improve safety, effectiveness and experience.

I have been advised on the implications 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 2024-25 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.

10. Internal Governance Divergences

The Trust has considered and reported the following significant internal governance issues during the reporting period:

Prior Year Issues – Resolved

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, a 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. The Trust remained concerned in respect of the

provision of safe and effective, person centred care in Granville and located an improvement team in the facility from March 2023, alongside enhanced directorate and corporate oversight. In 2024-25, there has been significant improvements in the quality and safety of care provided in Granville Manor and the service, whilst still challenged by staffing pressures, is more stable than it has been from the initial escalation of concerns in 2022. The current tenant profile is matched to that of a supported living facility and the current staffing cohort, whilst reduced in number and supported by flexible/bank staffing, are able to support the tenants in a compassionate and personalised approach fitting with the ethos of supported living. RQIA carried out a further unannounced inspection of Granville Manor on 13 February 2025. Whilst there were three areas for improvement, overall, this was a positive inspection with the care to be found to be delivered to be safe, effective and compassionate. The Trust proposes to close Granville Manor as a control divergence and monitor in line with internal Trust governance processes.

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 and Nursing Agency provision. 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**

The second half of 2024-25 has seen 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.

The Trust's Resourcing Team supported by professional and operational managers, continued to attend school, college and employer events to promote HSC as a career and Southern HSC Trust as an employer of choice during September 2024 to March 2025. From September 2024 and for the duration of the 2024-25 academic year the HR resource dedicated to individual work placements has continued to be diverted to assist with resourcing programmes to assist with reduction of agency spending aligned with financial plan. Significant work has gone into understanding and analysing the staffing profile on our nurse bank. This data has been key in helping us to understand weekly bank shift requirements, fill rates, availability of ad hoc staff and compliance with mandatory training requirements. Understanding the shift patterns means we can tailor our advertising and ensure applicants understand what we can offer through bank recruitment. In addition, regionally a piece of work has commenced 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 our winter intake of nursing graduates, alongside bespoke campaigns for particular areas such as ED and Theatres. International nurse recruitment is currently paused at present.

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 seven community adult consultant psychiatry vacancies, with the one permanent consultant due to go on maternity leave in Spring 2025. Vacancies are partially supported by locum cover which is itself of limited availability. There are also 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 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 a consultation approach for keyworkers in managing patients with 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 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.

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 two gastroenterology consultants, one has commenced in post and the other will commence in October 2025, further recruitment is planned. 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, have remained in 2024-25 and are continuing in 2025-26. The DOH/ SPPG established a number of Regional Social Care Collaborative forums and their work continues at this time, focusing on maximising current capacity in advance of agreeing a new 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 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 commenced roll out in the Newry and Mourne area and is due to complete in this area at the end of April 2025, before implementation commences in the Craigavon and Banbridge area. 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 to direct to the unmet need across the Trust area, which currently equates to approximately 703 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 5,890 hours per week at a cost of approximately £7.5million 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 Southern HSC Trust is currently engaging with the Information Commissioner's Office regarding a referral relating to data protection issues which have arisen during the Inquiry 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.

Due to controls and processes put in place to manage and support the Inquiry process, this issue is currently on the Corporate Risk Register as low risk. This will be reviewed as we move towards completion of the process and outworkings of the report.

- **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 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 Southern HSC Trust continues to await the outcome of the SPPG deliberations. Pressures remain in respect of consultant psychiatry medical staffing.

- **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 2024-25.

The Financial Contingency Plan reflected a forecasted deficit of £59m with low/medium risk savings of £17m which left a deficit of £42m remaining. The Trust Board and SPPG approved the implementation of the £17m savings, 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 the Trust Board.

In July 2024, SPPG increased the Southern HSC Trust savings target by £5m (total savings £22m) and transferred the remaining deficit £37m back to centre in SPPG. In 2024-25, the Southern HSC Trust established the RISE programme to oversee and monitor the implementation of the £22m savings target in 2024-25. Progress was reported each month with oversight from the Director of Transformation and the Director of Finance and 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 were promptly addressed. The Southern HSC Trust overachieved on savings target by £89,000, largely due to success in reducing high cost nursing flexible spend in 2024-25

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 to further strengthen controls in relation to Financial Management and Governance and Financial Culture within the Trust. All recommendations were implemented in 2024-25. Internal audit carried out at follow up audit of Budgetary Control in January 2025, reporting Satisfactory assurance.

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

The Trust is at risk to achieving break-even in 2025-26 unless additional funding is provided, otherwise the implementation of high impact savings will be required. 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.

The financial focus in 2025-26 will be on rebuilding robust financial control and improving service productivity and efficiency to help contain and reduce costs, in particular to drive down high cost medical locum usage and improve financial discipline across the Trust. A Financial Recovery plan for the 5 year period is being prepared regionally to address the deficit position.

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% in areas such as Looked after Children teams and the Gateway Service.

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. However, at present the only prospect of a net gain to the social work workforce is via the appointment of newly qualified social workers which do not become available until approximately August. 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 continues to collaborate with universities to promote the graduate route to those with relevant degrees. 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 committed to. This will see an increase of places offered via the Open University route for experienced social care workers within the Trust. A total of 42 newly qualified Social Workers accepted posts within the Trust in Summer 2024 and have commenced employment. Structured induction is being provided, alongside enhanced supports for their first year in employment. A broader quality improvement project is progressing with a focus on increasing retention rates across social work.

However, vacancies continue to out-strip workforce supply which will continue to impact on core service delivery in the medium term.

Current Year Issues Closed

None noted.

New Ongoing Control Issues in 2024-25

There are 2 significant internal control divergences which have been identified in 2024-25.

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 divers have been put in place to manage patient acuity, volume of patients and support the workforce to maintain a safe service.

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. In addition to this there are a number of newly appointed midwives yet to take up post once their Nursing and Midwifery Council registration is confirmed. There is a current advertisement for Midwives which closed in April 2025. Pressures due to sickness, maternity leaves and vacancies have also contributed to the increasing number of divers between acute sites. However there have been no divers since 27 January 2025. This is being managed on a daily basis by senior operational managers. The Trust continues to progress recruitment efforts for vacant posts.

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. The Southern HSC Trust has secured 2 Locum Consultants in May 2025.

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 Trust is working with the SPPG, PHA, Northern Ireland Cancer Network and regional Trust colleagues to develop a plan to support service delivery. The SPPG has requested the other 4 Trusts to accept a number of the red flag referrals which are in a backlog on 16 April 2025. Assistance is being provided from other Trusts including triage support, management of some new referrals, and support for more complex patient care.

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.

12. Conclusion

In light of the overall satisfactory assurance from the Head of Internal Audit on the system of operation of internal controls in the Trust during 2024-25, I am satisfied that the system of Internal Control, Risk Management and Governance is operating effectively, while recognising that some areas require continued focus and improvement. I confirm that action plans are in place to address any outstanding issues identified during the year.

The Southern HSC 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 MPMNI.

Although areas for enhancement have been highlighted through internal audit reports and by external reviewers such as RQIA, none have materially impacted the overall assurance. All findings, including those involving priority one issues, have been or are being addressed through structured action plans and ongoing monitoring by the Audit and Risk Assurance Committee.

Based on the assurances received from governance committees, internal audit, and performance management processes, I am satisfied that the Southern HSC Trust has maintained a sound system of internal governance during the reporting period. The governance framework continues to evolve and improve, ensuring that risks are appropriately identified, assessed, and managed in support of the Trust's objectives

and the stewardship of public resources.

A handwritten signature in purple ink, reading "Steve Spoerry". The signature is stylized with a large, sweeping "S" and a long horizontal line extending from the end.

Steve Spoerry, Interim Chief Executive

Date: 26 June 2025

REMUNERATION AND STAFF REPORT FOR THE YEAR ENDED 31 MARCH 2025

Remuneration Report

Scope of the report

The Remuneration report summarises 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 Senior Executives.

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 2022 to 31 March 2023.

Senior Executive Pay Structure Reform

With effect from 1 April 2023, the Department of Health has introduced in 2025 a Senior Executive Pay Structure Reform which impacts all Senior Executives in post at 1 April 2023. An incremental scale has been introduced, initially an 8-point scale, annually reducing by 1 point to achieve a 5-point scale by year 4 (1 April 2026). All incremental progression is subject to satisfactory performance, as considered by the

relevant Remuneration Committee applying the standards as set out in the revised Performance Management Framework. The Department will introduce a new performance framework, setting expectations of organisational and personal objectives which must be met to merit a satisfactory rating. There shall be no further individual performance related pay elements or bonuses. The estimated impact of these changes are reflected within the Senior Employees Remuneration Table on page 101 of this report. It should be noted that these figures are accrued and unpaid at 31 March 2025.

Temporary / Interim Cover

- **Mr Colm McCafferty**, Director of Children and Young People's Services & Executive Director of Social Work, was temporarily appointed as Acting Chief Executive effective from 1 January 2025 until 31 March 2025 following the resignation of Dr Maria O'Kane. (Mr McCafferty was designated Chief Executive cover from 2 December 2024 until he took up the role of Acting Chief Executive on 1 January 2025).
- **Mrs Donna Murphy**, Assistant Director of Family Support & Safeguarding was temporarily appointed to the role of Acting Director of Children & Young People's Services effective from 20 January 2025 until 31 March 2025 while Mr Colm McCafferty was Acting Chief Executive.
- **Ms Catherine Teggart**, Executive Director of Finance, Procurement and Estates, was temporarily designated the role of Accounting Officer during the period 25 November 2024 until 23 March 2025.
- **Mrs Dawn Ferguson**, was temporarily appointed to the role of Interim Executive Director of Nursing, Midwifery, AHP's and Functional Support Services effective from 16 September 2024 following the retirement of Mrs Heather Trouton from this role.

New Appointments

- **Mrs Heather Trouton**, availed of partial retirement from the Trust on 3 October 2024, and commenced the role of part-time Associate Director in the Chief Executive's Office on 1 January 2025.
- **Mr Steven Spoerry**, commenced the role of Interim Chief Executive for a one year period initially, effective from 24 March 2025.

Service contracts

During 2024-25, 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 2024-25, except the Medical Director, Interim Programme Director for Transformation and Improvement, and Interim Programme Director/Senior Responsible Officer (SRO) for 'encompass' Programme, 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.

The Interim Programme Director for Transformation and Improvement is employed under Agenda for Change Terms and Conditions of Service.

The Interim Programme Director / SRO for 'encompass' Programme was appointed from 1 November 2024 and is employed under Agenda for Change Terms and Conditions of Service.

Compensation for Loss of Office

Compensation for Loss of Office was paid to one staff member during 2024-25. The total sum of £155 - £160k was paid as payment in lieu of notice and compensation for loss of office and loss of employment. This includes an early retirement capitalised lump sum of £90 - £95k which was paid to the pension fund.

In addition, a total of £60 - £65k was paid for payment in lieu of notice and a termination award. An amount of £2k relating to course fees was paid by the Trust to the course provider.

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	2024-25				2023-24 Restated			
	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
Non-Executive Members								
Ms E Mullan (Chair)	30-35	2	-	30-35	30-35	4	-	30-35
Mrs H McCartan (To 31 December 2024)	5-10 (FYE 5-10)	3	-	5-10 (FYE 5-10)	5-10	-	-	5-10
Mr J Wilkinson (To 14 February 2024)	N/A	N/A	N/A	N/A	0-5 (FYE 5-10)	-	-	0-5 (FYE 5-10)
Ms G Donaghy (To 31 December 2024)	5-10 (FYE 5-10)	1	-	5-10 (FYE 5-10)	5-10	1	-	5-10
Mr M McDonald (To 31 December 2024)	5-10 (FYE 5-10)	1	-	5-10 (FYE 5-10)	5-10	1	-	5-10
Mrs P Leeson (To 31 December 2024)	5-10 (FYE 5-10)	1	-	5-10 (FYE 5-10)	5-10	1	-	5-10
Mrs L Ensor	5-10	3	-	5-10	0-5 (FYE 5-10)	-	-	0-5 (FYE 5-10)
Mr J Johnston	5-10	2	-	5-10	0-5 (FYE 5-10)	-	-	0-5 (FYE 5-10)
Mr R Lynas	5-10	2	-	5-10	0-5 (FYE 5-10)	-	-	0-5 (FYE 5-10)
Mrs G Browne (From 1 January 2025)	0-5 (FYE 5-10)	-	-	0-5 (FYE 5-10)	N/A	N/A	N/A	N/A
Mr C Stewart (From 1 January 2025)	0-5 (FYE 5-10)	-	-	0-5 (FYE 5-10)	N/A	N/A	N/A	N/A
Mrs M Corkey (From 1 January 2025)	0-5 (FYE 5-10)	-	-	0-5 (FYE 5-10)	N/A	N/A	N/A	N/A
Mr A Hughes (From 1 January 2025)	0-5 (FYE 5-10)	-	-	0-5 (FYE 5-10)	N/A	N/A	N/A	N/A
Executive Members								
Dr M O'Kane - Chief Executive (To 31 December 2024)	215-220 (FYE 215-220)	-	131 (FYE 144)	345-350 (FYE 360-365)	215-220	-	80	295-300
Mrs H Trouton - Executive Director of Nursing, Midwifery, AHP's and Functional Support Services (To 3 October 2024)	65-70 (FYE 130-135)	3 (FYE 5)	59 (FYE 116)	125-130 (FYE 250-255)	115-120	2	57	175-180
Ms C Teggart - Executive Director of Finance, Procurement & Estates	110-115	-	20	130-135	100-105	-	21	120-125
Mr C McCafferty - Director of Children & Young People's Services /Acting Chief Executive (From 1 January to 31 March 2025)	120-125	-	37	160-165	95-100	3	20	115-120
Dr S Austin - Executive Medical Director	235-240	-	98	330-335	215-220	-	137	350-355
Mrs D Ferguson - Interim Executive Director of Nursing, Midwifery, AHP's and Functional Support Services (From 16 September 2024)	55-60 (FYE 105-110)	1 (FYE 2)	86 (FYE 159)	140-145 (FYE 265-270)	N/A	N/A	N/A	N/A
Mr S Spoerry - Interim Chief Executive (From 24 March 2025)	0-5 (FYE 180-185)	-	-	0-5 (FYE 180-185)	N/A	N/A	N/A	N/A
Other Members								
Mrs V Toal - Director of Human Resources and Organisational Development	115-120	1	47	160-165	90-95	2	22	115-120
Mr B Beattie - Director of Adult Community Services	115-120	-	22	135-140	105-110	-	21	125-130
Mrs J McGall - Director of Mental Health & Disability Services	100-105	3	20	120-125	90-95	3	19	110-115
Mrs L Leeman - Interim Director of Performance and Reform (To 31 August 2023)	N/A	N/A	N/A	N/A	35-40 (FYE 90-95)	2	3 (FYE 8)	40-45 (FYE 95-100)
Ms E Wilson - Director of Planning, Performance & Informatics	100-105	2	24	125-130	65-70 (FYE 85-90)	-	20	85-90 (FYE 105-110)
Mrs C Reid - Director of Surgery & Clinical Services	100-105	-	24	125-130	90-95	-	(8)	80-85
Mrs T Reid - Director of Medicine and Unscheduled Care	100-105	-	21	120-125	90-95	-	41	130-135
Mrs M O'Hagan - Programme Director for Transformation & Improvement	115-120	-	113	230-235	10-15 (FYE 100-105)	-	4 (FYE 33)	15-20 (FYE 130-135)
Mrs S Hanna - Interim Encompass Programme Director (From 1 November 2024)	35-40 (FYE 85-90)	-	11 (FYE 27)	45-50 (FYE 115-120)	N/A	N/A	N/A	N/A
Mrs D Murphy - Director of Children & Young People's Services (From 20 January - 31 March 2025)	15-20 (FYE 85-90)	1 (FYE 4)	6 (FYE 30)	20-25 (FYE 115-120)	N/A	N/A	N/A	N/A

Notes on Remuneration Table

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 51 to 58.

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.

These figures include the expected but not paid impact of the Senior Executive Pay Structure Reform effective from 1 April 2023 as noted on page 98. The prior year comparatives for 2023-24 have been re-stated to reflect this.

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:

	2024-25	2023-24
Band of Highest Paid Director's Total Remuneration (£000s)	230-235	215-220
% Change from Previous Year	6.90%	4.82%
25th Percentile Remuneration	£29,359	£27,183
25th Percentile Pay Ratio	7.92	8.00
Median Remuneration	£38,127	£35,322
Median Pay Ratio	6.10	6.16
Mean Remuneration	£44,032	£40,551
% Change from Previous Year	8.58%	4.44%
75th Percentile Remuneration	£49,281	£46,105
75th Percentile Pay Ratio	4.72	4.72
Range of Staff Remuneration (normalised for standard hours)	£23,615 - £265,687	£20,380 - £312,676

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 £44,032 has increased by 8.58% when compared to that in 2023-24 (at a value of £40,551). This increase is due to application of Pay Award uplifts in respect of 2024-25.

The banded remuneration of the highest paid Director in 2024-25 was £230,000 - £235,000 (2023-24: £215,000 - £220,000). This is 6.10 (2023-24: 6.16) times the median remuneration of the workforce, which was £38,127 (2023-24: £35,322).

In 2024-25, 7 employees (2023-24: 7) 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	2024-25				
	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 31/03/24 £000s	CETV at 31/03/25 £000s	Real increase in CETV £000s
Executive Members					
Dr M O'Kane - Chief Executive (To 31 December 2024)	2.5-5 plus 0-2.5 lump sum	110-115 plus 305-310 lump sum	2,771	2,489	78
Mrs H Trouton - Executive Director of Nursing, Midwifery, AHP's and Functional Support Services (To 3 October 2024)	0-2.5 plus 87.5-90 lump sum	30-35	800	805	38
Ms C Teggart - Executive Director of Finance, Procurement & Estates	0-2.5	5-10.0	62	84	22
Mr C McCafferty - Director of Children & Young People's Services /Acting Chief Executive (From 1 January to 31 March 2025)	0-2.5 plus 0-2.5 lump sum	35-40 plus 50-55 lump sum	645	697	52
Dr S Austin - Executive Medical Director	5-7.5 plus 5-7.5 lump sum	80-85 plus 220-225 lump sum	1,820	1,958	138
Mrs D Ferguson - Interim Executive Director of Nursing, Midwifery, AHP's and Functional Support Services (From 16 September 2024)	7.5-10 plus 17.5-20 lump sum	40-45 plus 105-110 lump sum	792	978	186
Mr S Spoerry - Interim Chief Executive (From 24 March 2025) Note 1	N/A	N/A	N/A	N/A	N/A
Other Members					
Mrs V Toal - Director of Human Resources and Organisational Development	2.5-5 plus 2.5-5 lump sum	25-30 plus 75-80 lump sum	570	627	57
Mr B Beattie - Director of Adult Community Services	0-2.5	50-55 plus 95-100 lump sum	1,104	1,117	53
Mrs J McCall - Director of Mental Health & Disability Services	0-2.5	20-25 plus 55-60 lump sum	436	461	26
Ms E Wilson - Director of Planning, Performance & Informatics	0-2.5	15-20	227	256	29
Mrs C Reid - Director of Surgery & Clinical Services	0-2.5 plus 0-2.5 lump sum	45-50 plus 85-90 lump sum	944	986	42
Mrs T Reid - Director of Medicine and Unscheduled Care	0-2.5	40-45 plus 110-115 lump sum	997	1,038	41
Mrs M O'Hagan - Programme Director for Transformation & Improvement	5-7.5 plus 10-12.5 lump sum	60-65 plus 120-125 lump sum	1,284	1,435	151
Mrs S Hanna - Interim Encompass Programme Director (From 1 November 2024)	0-2.5 plus 0-2.5 lump sum	40-45 plus 75-80 lump sum	825	869	43
Mrs D Murphy - Director of Children & Young People's Services (From 20 January - 31 March 2025)	0-2.5 plus 0-2.5 lump sum	25-30 plus 40-45 lump sum	541	555	31

The changes in Director appointments during the year are fully described in the Directors' Report on pages 51 to 58. 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.

Note 1 – The Interim Chief Executive commenced on 24 March 2025 and is assumed to have insignificant pension entitlements accrued by 31 March 2025.

Public Service Pensions Remedy

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme (1995/2008 sections) for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme (1995/2008 sections) for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the 2015 scheme for the period from 1 April 2015 to 31 March 2022.

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 in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended) and using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2025, 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 (which therefore disregards the effect of any changes in factors).

Staff Report

The Trust employs 12,987 whole time equivalent staff (2023-24: 12,822). This figure includes staff with more than one job position.

Staff costs comprise (Audited):

	2025		2024	
Staff costs comprise:	Permanently employed staff £000s	Others £000s	Total £000s	Total £000s
Wages and salaries	498,192	75,180	573,372	579,107
Social security costs	50,821	2,105	52,926	41,123
Other pension costs	103,211	2,447	105,658	87,808
Sub-Total	652,224	79,732	731,956	708,038
Less Capitalised staff costs	(483)	-	(483)	(434)
Total staff costs reported in Statement of Comprehensive Expenditure	651,741	79,732	731,473	707,604
Less recoveries in respect of outward secondments			(814)	(1,058)
Total net costs			730,659	706,546

Total staff costs reported in the statement of comprehensive expenditure of which:

	£000s	
Southern HSC Trust	731,473	707,604
Charitable Trust Funds		-
Total	731,473	707,604

Staff Costs exclude £483k charged to capital projects during the year (2023-24: £434k).

Staff Costs include £1,114k associated with Research & Development Projects (2023-24: £960k).

Pension Liabilities

The Southern HSC 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 Southern HSC 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 31 March 2022. All active members have now moved to the 2015 CARE Scheme from 1 April 2022.

As a result, all pension calculations processed on or after 1 April 2024 will have benefits up to 31 March 2022 calculated under their legacy scheme i.e. 1995/2008. All benefits accrued from 1 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 2024-25, employers' contributions of £103.2m were payable to the HSC Pension Scheme (2023-24: £85.7m) at 23.2% of pensionable pay (pension rate effective from 1 April 2024).

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 2024-25. For 2024-25, employers' contributions of £36k (2023-24: £37k) 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 valuation will be used in the 2024-25 accounts. The 2020 valuation assumptions will be retained for most demographic assumptions apart from the assumption for future longevity improvements. GAD have recommended that the future longevity assumptions are updated to be in line with the 2022-based population projections for the United Kingdom published by the Office for National Statistics (ONS) on January 2025. Financial assumptions are updated to reflect recent financial conditions.

During 2024-25, there were 22 (2023-24:42) early retirements from the Trust, agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £38k (2023-24: £117k). 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 2024-25, the Trust has accrued £310k in relation to pension liabilities (2023-24: £342k).

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

Exit Package Cost Band	Number of Compulsory Redundancies		Number of other Departures Agreed		Total Number of Exit Packages by Cost Band	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
£150,001 - £200,000	-	-	1	-	1	-
Total number of exit packages	-	-	1	-	1	-
	£000s	£000s	£000s	£000s	£000s	£000s
Total Resource Cost	0	0	155 - 160	0	155 - 160	0

Redundancy and other departure costs are paid in accordance with the provisions of the HSC Pension Scheme Regulations and the Compensation for Premature Retirement Regulations, statutory provisions made under the Superannuation Act 1972. Exit costs are accounted for in full in the year in which the exit package is approved and agreed and are included as operating expenses. There was one early

retirement or compensation exit package agreed in 2024-25 at a cost of £155 - £160k. (2023-24: £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.

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:

	2025		2024	
	Permanently employed staff No.	Others No.	Total No.	Total No.
Medical and dental	626	457	1,083	1,019
Nursing and midwifery	4,234	284	4,518	4,443
Professions allied to medicine	1,600	14	1,614	1,570
Ancillaries	717	171	888	893
Administrative & clerical	1,970	46	2,016	2,058
Estates & Maintenance	141	1	142	137
Social services	1,731	8	1,739	1,732
Domiciliary/Homecare Workers	1,001	-	1,001	984
Total average number of persons employed	12,020	981	13,001	12,836
Less average staff number relating to capitalised staff costs	(4)	-	(4)	(3)
Less average staff number in respect of outward secondments	(10)	-	(10)	(11)
Total net average number of persons employed	12,006	981	12,987	12,822
Of which:				
Southern HSC Trust			12,987	
Charitable Trust Fund			-	
			12,987	

"Medical & Dental: Others" includes approx. 259 WTE Doctors in Training recharged by NIMDTA (2023-24: 246 WTE). Southern HSC Trust retains funding for these employees.

Staff Composition by Gender

The following table provides an analysis of the number of employed staff as at 31 March 2025 by gender:

	CEO & Directors		Non-Executive Directors		Senior Staff		Other Staff		Trust Total	
	Number	%	Number	%	Number	%	Number	%	Number	%
Female	9	69	4	50	37	77	12,881	85	12,931	85
Male	4	31	4	50	11	23	2,204	15	2,223	15
Total	13		8		48		15,085		15,154	

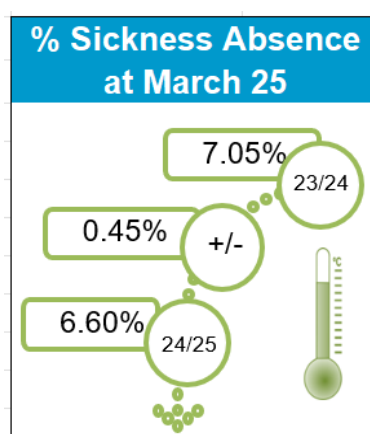
Staff on Employment Break & those Seconded out of Trust have been excluded.

Headcount is a count of staff based on NINo therefore staff with multiple posts are counted once in their post with the highest WTE.

Senior staff is defined as Assistant Director and above but excluding Senior Management.

Workforce Capacity

Staff Absence



During 2024-25 the Trust has seen a small decline in the rates of sickness absence levels since 2023-24 but continue to remain higher than pre-pandemic levels.

The Trust has had a change in how recording of sickness absence is completed in areas live with Health Roster and Com Care which has resulted in a notable delay in the recording of sickness absence within services and we anticipate that sickness absence is higher than reported. HROD Teams are working with managers to improve the timeliness of recording and figures will be re-run at a future date when we expect them to be higher, particularly from Quarter 2 (July) onwards.

Staff Turnover

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

Contract Type	% Turnover		
	2024-25	2023-24	2022-23
Permanent	7.63%	8.77%	8.61%

**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 2024-25 (2023-24: £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 external consultancy expenditure of £nil in 2024-25 (£nil: 2023-24).

Trust Management Costs (Audited)

	2025 £000s	Restated 2024 £000s
Trust management costs	36,438	34,089
Income:		
RRL	1,074,004	1,019,635
Income	56,371	53,535
Total Income	1,130,375	1,073,170
% of total income	3.22%	3.18%

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.

2023-24 figures have been restated to ensure consistency of approach across region.

	2025 £000	Restated 2024 £000	2023 £000
Trust Management Costs	36,438	34,089	30,204
Total Income	1,130,375	1,073,170	971,002
% of Total Income	3.22%	3.18%	3.11%

Employee Engagement

2024-25 is Year 3 of Our People Framework (2022-2025). A key question for us was whether our people are reporting it is making a difference to their working lives.

The 2019 HSC Regional Staff Survey is our latest regional staff survey. There were plans to roll out another regional staff survey in 2024-25, however due to the impact of significant digital transformation programmes i.e., encompass and equip, this was postponed. Instead our Trust issued a short employee experience pulse survey in September 25.

Everyone was encouraged to complete the survey to measure the impact of initiatives and work undertaken, and to take a 'temperature check' of how our people feel about working here. 19% of our workforce responded. There were several positive results to recognise and build on, as well as some areas of decline from the 2019 regional staff survey to improve on.

This survey was part of our continued efforts to engage with our people to help improve their working lives and in doing so provide better care for our patients and clients. This was done alongside staff engagement through a range of meetings, networks and forums. Feedback from our people has continued to consistently highlight the importance of health and wellbeing, behaviours and relationships and how collective compassionate leadership and team based working can support our workforce to feel cared for, recognised, supported and valued.

Staff Policies & Other Employee Matters

The Southern HSC Trust is committed to equality of opportunity for all and many of the Trust's policies and procedures are founded on the overarching Trust Equality, Diversity & Inclusion Policy (Regional). This Policy outlines clearly that the Trust is opposed to all forms of unlawful and unfair discrimination. Decisions about recruitment, selection, promotion, training and all other terms and conditions are made objectively and without unlawful discrimination.

Supporting the Southern HSC Trust's commitment to equality of opportunity for all is the HSC Recruitment and Selection Framework, the Disability Equality Policy (Regional) and the HSC Disability Toolkit on the provision of timely reasonable adjustments in the workplace for employees and job applicants with disabilities. These are all focused on ensuring support is given to staff within our employment with disabilities.

The Southern HSC Trust's Joint Consultative & Negotiating Forum is committed to the involvement of staff at all levels in shaping service delivery and being part of the decision making which affects their working lives and the delivery of health and social care. The Southern HSC Trust continues to work in partnership with Trade Union colleagues and has developed consultations across all directorates resulting in staff

and management working together to deliver a number of very significant change initiatives and service reforms.

Our People Framework

Launched in 2022, the Trust's People Framework sets out our People Priorities of Wellbeing, Belonging and Growing.



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

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

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.



This has been achieved through further development of the Occupational Health & Wellbeing Service (OHWS) including the OHWS Psychology Team.

Other initiatives in year to promote well-being have also included:

- **Health & Wellbeing Action Plan – year 3.**

There were 23 actions in our Year 3 2024-25 Action Plan. Two significant new actions included the completion of Baseline Assessment Tool (NICE Public Health Guideline NG212) Mental wellbeing at work where 90% of the recommendations were met and to scope and review existing actions against the new Regional HWB Framework launched in September 2024. Several actions in our plan also focused on supporting the health and wellbeing of our people in relation to the potential impact of the work required in preparation and implementation of new digital transformation programmes, specifically Encompass and Equip which are significant business change programmes.

- **Workplace Wellbeing Team & Wellbeing Champions**

Supported by NHS charities funding our new Workplace Wellbeing Team was launched. The focus of this team is to improve the wellbeing of teams across the Trust, by developing Trust wide wellbeing programmes and resources, supporting teams to develop their own wellbeing plans and access the range of wellbeing supports provided by the Trust, local communities, and other partners. Three support

workers deliver wellbeing programmes directly to teams focusing on Physical, Emotional and Financial wellbeing. A review and refresh of the Wellbeing Champion role was also carried out and subsequently our Wellbeing Champions network has also grown to 68. For the first time Trust Wellbeing Champions have 2 hours protected time each month to do this role and support colleagues.

- **A Supporting you through change resource was developed and launched.**

In light of significant organisational change this resource was developed to support employees. It is a brief online magazine highlighting options for self-care, team support, others who can help, and hints and tips to help support wellbeing.

- **Disability Advocate Role**

The Disability Advocate Role was established in October 2024 to better represent and support the needs of staff with disabilities and long-term health conditions and ensure your voice is heard and valued. Dr Clodagh Corrigan is a Specialty Doctor in Emergency Medicine and is based in the Emergency Department in Daisy Hill Hospital. The Trust is the first Trust in Northern Ireland to develop this role and Dr Corrigan, hopes to bring real life experience to the position. During 2024-25 Dr. Corrigan has developed a podcast, reviewed and input to policy development, carried out a staff survey to get an understanding of the issues which will inform future work and areas for improvement. We also marked International Day of Persons with a Disability in December 2024, established a staff network and supported staff on a one-to-one advocacy role.

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.



Recognition and Appreciation

GREATix

This is a scheme where staff can nominate another staff member or team for a GREATix online when they observe practice that reflect our Trust values. 1028 Greatix nominations were made during 2024-25.



#ThankYouThursday campaign

A reminder to all our employees that there is always an opportunity to say, 'thank you'.



Recognition Days

A number of employee appreciation days took place during 2024-25 to show gratitude for various professions. This was particularly well received in those areas where their work often goes unrecognised.

Staff Awards

'Our People Awards' awards ceremony took place in April 2024.



Performing at the event we had our very talented staff – 'Our Southern Stars'. 292 nominations were received from across all service areas. Our inaugural Trust Home Care Awards also took place in June. Both were extremely successful events.

Equality, Diversity & Inclusion (EDI)



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.

Diversity & Inclusion Calendar

We continue to raise awareness of equality and inclusion by promoting a range of diversity days throughout the year. During 2024-25 this included:

- Diwali
- International Day of Persons with Disabilities
- Good Relations Week - 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.
- International Women's Day



Employee Networks

- 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 welcome new members. There is regular meetings and organised events throughout the year to encourage networking and support colleagues who may be new to the Trust.
- Along with the members of the regional HSC LGBTQ+ Staff Forum, staff from the Southern HSC Trust participated in the annual Pride Parade on Saturday 27 July. The HSC LGBTQ+ Staff Forum exists to support LGBTQ+ employees within the HSC and create a more LGBTQ+ inclusive work environment. During this time, the EDI team (and Trade Union colleagues) hosted 2 engagement sessions in CAH and Daisy Hill Hospital, where Rainbow lanyards and the Rainbow Pin were available for staff.



- Employee Network for staff with disabilities and long-term health conditions. 13 March 2025 was the inaugural meeting for the Trust employee network for staff with disabilities & long-term health conditions. This network is an opportunity for staff and those within the Trust on student placements, to get together on a regular basis to support each other, discuss challenges and possible solutions to issues which are common across the Trust.



Culture Night 9 May 2024

On Thursday 9 May, staff joined together for our second annual Culture Night celebration event. It was an evening in celebration of our International Staff and the cultural diversity within the Trust and was held in Daisy Hill Hospital - a great night was had by all!



Cultural Competency Framework

A regional resource was developed and launched on 5 February 2025 by the Minister of Health. The framework seeks to bring together a collection of resources for all HSC staff which are an interactive, introductory training supporting all along their cultural competency journey recognising, understanding and promoting diversity across society.

Resources include:

- An online E-learning programme that is hosted on the LearnHSCNI training platform – An Introduction to Cultural Competence
- Supported by 'The Little Book of Cultural Competency'.



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: -



Insights for Managers Programme

The Insights for Managers programme was designed in response to a recognised need to support line managers within the Trust at every level of the organisation in managing and dealing with forthcoming significant organisational change and associated new ways of working. This was also important in light of our new vision and strategy, significant digital transformation agenda and the current challenging financial climate.

Vocational Career Pathways

During 2024-25 we started developing career pathways (education and training steps for career enhancement) for:

- Nursing Assistants
- Maternity Support Workers
- Social Care workers
- Occupational Therapist
- Physiotherapy Assistants
- Generic Rehabilitation Support

The pathways outline relevant professional standards, core job descriptions, education and learning required, skills required and the relevant development pathway. The Nursing Assistant pathway has been designed and completed. The remaining pathways will be finalised by end of April 2025. A communications plan has been developed to promote and raise awareness of career pathways in these areas with employees across the organisation as well as externally to potential employees interested in one of these areas of work.

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. We have a robust quality assurance process and continue to have positive external quality assurance feedback.

Over the past year the 339 employees have completed an RQF Qualification.

Coaching culture

Our focus in 2024-25 was to continue to work to strengthen our coaching culture by offering coaching support for senior leaders and developing managers coaching skills. The Trust internal coaching service continues to support and develop employees through 1:1 coaching. In 2024-25, 55 Trust employees availed of the service, with coaches delivering over 50 hours of coaching to Trust employees.

In order to enhance our organisational performance, further develop our organisational culture, and to provide support and development to the current layer of Divisional Medical Directors (DMD) and Assistant Directors (AD), many of whom are relatively new to role, in 2024-25 we offered coaching sessions specifically to them. 25 AD/DMDs have started or completed coaching sessions.

Appraisal Conversations

As at 31 December 2024, 54% of our Agenda for Change workforce have a completed appraisal. Appraisal Conversation Awareness Sessions for Managers have been delivered to ensure that managers are provided with appropriate support to undertake and record appraisals. 13 sessions have been delivered between April 2024 and February 2025 with 79 managers attending.

Supporting our people - training and development opportunities

Corporate Welcome

To ensure that as an organisation we are engaging with our new employees from as early in their career as possible, making them feel a part of #TeamSHSCT, a face to face 'Welcome to #TeamSHSCT' event was introduced in June 2024 to replace the previous online corporate induction resource.

The purpose of the 'Welcome to #TeamSHSCT' event is to help ensure that new employees understand what they can expect from the Trust as an employer, as well as what is expected of them by setting out our vision and strategic plan, helping them to understand our HSC values and culture, the benefits to them in choosing to work for the Trust, as well as creating a sense of connection and belonging. This is part of the Corporate Mandatory Training which all employees must complete.

577 SHSCT staff have attended a corporate welcome event between June 2024 and February 2025. An additional 160 SHSCT staff have enrolled to attend the event in March 2025.

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. Quarter end

compliance reports are provided to each Directorate for dissemination throughout their services.

Other Courses

The Trust wants 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 such as courses in absence management, appraisal skills for managers, mental health awareness for managers etc.

Our employees also have an opportunity to attend courses run by the HSC Leadership Centre.

Digital Transformation / Digital Enabled Care

encompass is a Health and Social Care (HSC) wide transformation programme which seeks to best position HSCNI to capitalise on a digitally enabled whole system approach for the delivery of safer, informed care. It is a key part of the HSCNI modernisation and reform agenda and is agreed as an essential enabler and driver of broader reform objectives through to 2025 and beyond. An extensive programme of training started in February 2025, prior to go live in May 2025.

Accountability and Audit Report

Compliance with regularity of expenditure guidance

The Partnership Agreement (PA) between the Department of Health and the Southern HSC Trust defines the respective roles and responsibilities of the Trust and the DoH including the mechanisms for oversight, assurance, and performance monitoring. In particular, it explains the overall governance framework within which the Trust operates, including the framework through which the necessary assurances are provided to stakeholders.

This overall framework is described in the Governance statement on page 63 and 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.

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 and the Department of Finance. 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	2024-25	2023-24
Total number of losses	114,555	100,027
Total value of losses (£'000)	664	690

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	-	-
- Employers Liability	-	-
- Employment Law	-	-
- Other	-	-
Ex-gratia payments	-	-
Extra contractual	-	-
Special severance payments	-	-

Included in the number of individual special payments over £300,000 were 3 Clinical Negligence cases (2023-24: 5 Clinical Negligence payments).

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)

This note is provided for fees and charges purposes only and not for IFRS 8 purposes. Information is provided only in respect of services where the income is in excess of £30m.

The Health & Personal Social Services (NI) Order 1972 requires that a person is charged for residential accommodation in a registered residential or nursing care home which has been arranged by the Trust, either in a Trust managed home or with an independent sector care home.

Article 99 requires the Department to set the standard rate for Trust managed homes at an amount equivalent to the full cost to the Trust of providing the accommodation.

However, responsibility for the determination of the standard rate is now delegated to the SPPG by the Department.

Annually, the SPPG determine a number of regional Independent Sector Care Home tariffs for residential care and nursing care homes, which are the standard rates accepted by HSCNI of the gross cost of providing or purchasing accommodation under a contract with the independent sector home. Some independent sector care homes are unable to provide accommodation at these rates and will charge in excess of these rates.

In 2024-25, the regional tariffs were as follows:

Residential Care Homes	2024-25 £ per week	2023-24 £ per week
People with a Physical Disability	843	781
Elderly	752	697
People with a Mental Illness (or with drug/alcohol dependence)	752	697
People with Learning Disability	752	697
Nursing Care Homes	2024-25 £ per week	2023-24 £ per week
People with a Physical Disability	993	929
Elderly	925	865
People with a Mental Illness (or with drug/alcohol dependence)	925	865
People with Learning Disability	925	865

The Trust is obliged to financially assess all temporary and permanent residents in accordance with CRAG (Charging for Residential Accommodation Guide) to determine the contribution which they are required to make towards the cost of their placement.

Where a resident is unable to pay the full cost of their placement, the Trust must assess their ability to pay using regulations made for that purpose. These are The Health and Personal Social Services (Assessment of Resources) Regulations (Northern Ireland) 1993.

The Trust must ensure that the resident is given a clear explanation of how the assessment of their ability to pay is carried out and a written statement of how the weekly contribution has been calculated.

Total fees and charges were as follows:

	2024-25	2023-24
	£000s	£000s
Full Cost:	127,021	115,114
Less:		
Client Contribution Income Note 4	(41,866)	(38,766)
Excluding Client Contributions Supported Living	1,936 (39,930)	1,729 (37,037)
Net cost to the Trust:	87,091	78,077

Long Term Expenditure

Details of long term expenditure plans are included on pages 36-37 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



Mr S Spoerry
Accounting Officer

Date: 26 June 2025

SOUTHERN HEALTH AND SOCIAL CARE TRUST – PUBLIC FUNDS

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

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 2025 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 Southern Health and Social Care Trust's affairs as at 31 March 2025 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 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 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 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 Remunerations 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 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 audit, 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 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 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: in relation to management override of controls 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. 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
3 July 2025

4

Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2025

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	2025 CTF £000s	Consolidated £000s	Trust £000s	2024 CTF £000s	Consolidated £000s
Income							
Revenue from contracts with customers	4.1	50,974	-	50,974	49,371	-	49,371
Other operating income	4.2	5,397	305	5,702	4,164	314	4,478
Total Operating Income		56,371	305	56,676	53,535	314	53,849
Expenditure							
Staff Costs	3	(731,473)	-	(731,473)	(707,604)	-	(707,604)
Purchase of goods and services	3	(284,627)	-	(284,627)	(262,501)	-	(262,501)
Depreciation, amortisation and impairment charges	3	(17,178)	-	(17,178)	(31,892)	-	(31,892)
Provision expense	3	(72,914)	-	(72,914)	(91,656)	-	(91,656)
Other expenditures	3	(114,849)	(663)	(115,512)	(103,713)	(797)	(104,510)
Total Operating Expenditure		(1,221,041)	(663)	(1,221,704)	(1,197,366)	(797)	(1,198,163)
Net Operating Expenditure		(1,164,670)	(358)	(1,165,028)	(1,143,831)	(483)	(1,144,314)
Finance income	4.2	-	207	207	-	202	202
Finance expense	3	(69)	-	(69)	(29)	-	(29)
Net Expenditure for the year		(1,164,739)	(151)	(1,164,890)	(1,143,860)	(281)	(1,144,141)
Adjustment to net expenditure for non-cash items	21.1	90,841	-	90,841	124,264	-	124,264
Net expenditure funded from RRL		(1,073,898)	(151)	(1,074,049)	(1,019,596)	(281)	(1,019,877)
Revenue Resource Limit (RRL)	21.1	1,074,004	-	1,074,004	1,019,635	-	1,019,635
Add back charitable trust fund net expenditure		-	151	151	-	281	281
Surplus against RRL		106	-	106	39	-	39

OTHER COMPREHENSIVE EXPENDITURE

Items that will not be reclassified to net operating costs:

Net gain on revaluation of property, plant and equipment	5.1/ 5.2/ 7	12,921	-	12,921	8,655	-	8,655
Net gain on revaluation of intangibles	6.1/6.2/9	1	-	1	-	-	-
Net (loss) / gain on revaluation of charitable assets	8	-	(133)	(133)	-	352	352
TOTAL COMPREHENSIVE EXPENDITURE		(1,151,817)	(284)	(1,152,101)	(1,135,205)	71	(1,135,134)

The notes on pages 135 to 187 form part of these accounts.

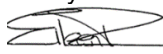
CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 March 2025

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.

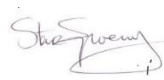
		2025		2024	
	NOTE	Trust £000s	Consolidated £000s	Trust £000s	Consolidated £000s
Non Current Assets					
Property, plant and equipment	5.1/5.2	412,883	412,883	401,557	401,557
Intangible assets	6.1/6.2	7,604	7,604	9,893	9,893
Financial assets	8.0	-	3,801	-	5,434
Trade and other receivables	12.0	1,211	1,211	1,576	1,576
Total Non Current Assets		421,698	425,499	413,026	418,460
Current Assets					
Inventories	10.0	5,816	5,816	6,330	6,330
Trade and other receivables	12.0	25,244	24,903	25,245	25,021
Other current assets	12.0	9,186	9,186	4,376	4,376
Current financial assets	8.0	-	1,500	-	-
Cash and cash equivalents	11.0	6,689	7,929	813	2,061
Total Current Assets		46,935	49,334	36,764	37,788
Total Assets		468,633	474,833	449,790	456,248
Current Liabilities					
Trade and other payables	13.0	(154,641)	(154,678)	(169,284)	(169,295)
Other liabilities	13.0	(1,073)	(1,073)	(463)	(463)
Provisions	14.0	(53,204)	(53,204)	(28,291)	(28,291)
Total Current Liabilities		(208,918)	(208,955)	(198,038)	(198,049)
Total Assets Less Current Liabilities		259,715	265,878	251,752	258,199
Non Current Liabilities					
Provisions	14.0	(212,035)	(212,035)	(173,235)	(173,235)
Other payables	13.0	(1,542)	(1,542)	(77)	(77)
Total Non Current Liabilities		(213,577)	(213,577)	(173,312)	(173,312)
Total Assets less Total Liabilities		46,138	52,301	78,440	84,887
Taxpayers' Equity and Other Reserves					
Revaluation reserve		116,583	116,583	126,256	126,256
SoCNE reserve		(70,445)	(70,445)	(47,816)	(47,816)
Other reserves – charitable trust fund		-	6,163	-	6,447
Total Equity		46,138	52,301	78,440	84,887

The notes on pages 135 to 187 form part of these accounts.

The financial statements on pages 131 to 187 were approved by the board on 26 June 2025 and were signed on its behalf by:

Signed:  (Chair)

Date: 26 June 2025

Signed:  (Chief Executive)

Date: 26 June 2025

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY for the year ended 31 MARCH 2025

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
Balance at 1 April 2023		82,893	117,739	6,376	207,008
Changes in Taxpayers Equity 2023-24					
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
Balance at 31 March 2024		(47,816)	126,256	6,447	84,887
Changes in Taxpayers Equity 2024-25					
Grant from DoH		1,141,521	-	-	1,141,521
Transfers between reserves		469	(469)	-	-
(Comprehensive net expenditure for the year)		(1,164,739)	12,922	(284)	(1,152,101)
Reversal of prior year Impairments		-	(22,126)	-	(22,126)
Non-cash charges - auditors remuneration	3	120	-	-	120
Balance at 31 March 2025		(70,445)	116,583	6,163	52,301

The notes on pages 135 to 187 form part of these accounts.

CONSOLIDATED STATEMENT OF CASHFLOW for the year ended 31 MARCH 2025

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	2025 £000s	2024 £000s
Cash flows from operating activities			
Net expenditure after interest		(1,164,890)	(1,144,141)
Adjustments for non-cash costs		90,171	123,573
(Increase) in trade and other receivables	12	(4,327)	(1,875)
Decrease in inventories	10	514	629
(Decrease) / Increase in trade payables	13	(12,542)	46,590
Movements in receivables relating to the sale of property, plant and equipment		(1)	1
Movements in payables relating to the purchase of property, plant and equipment		(85)	6,056
Movements in payables relating to the purchase of intangibles		(32)	379
Movements in payables relating to finance leases		(2,075)	(501)
Use of provisions	14	(9,201)	(10,940)
Net cash outflow from operating activities		(1,102,468)	(980,229)
Cash flows from investing activities			
Purchase of property, plant & equipment	5	(30,860)	(32,109)
Purchase of intangible assets	6	(1,374)	(2,364)
Proceeds of disposal of property, plant & equipment		42	110
Net cash outflow from investing activities		(32,192)	(34,363)
Cash flows from financing activities			
Grant in aid		1,141,521	1,012,925
Cap element of payments – finance leases and on balance sheet (SoFP) PFI and other service concession arrangements		(993)	(653)
Net financing		1,140,528	1,012,272
Net increase in cash & cash equivalents in the period	11	5,868	(2,320)
Cash & cash equivalents at the beginning of the period	11	2,061	4,381
Cash & cash equivalents at the end of the period	11	7,929	2,061

The notes on pages 135 to 187 form part of these accounts.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

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 functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

On initial recognition property, plant and equipment are measured at cost including any expenditure such as installation, directly attributable to bringing them into working condition. Items classified as “under construction” are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred.

Valuation

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.

The Department of Health uses Producer Price Indices published by the Office for National Statistics (ONS) in order to apply indexation to the value of non-property assets at year-end. In line with previous years, the December indices have been applied in 2024-25. Ordinarily, an assessment is carried out after the year-end, following the publication of the March indices by ONS, to ascertain that the impact of the movement in the indices between December and March is immaterial. However, in March 2025, ONS issued a statement indicating that they had identified a problem with the chain-linking methods used to calculate these indices, affecting the years from 2008 onwards, and that they would consequently be pausing publication of Producer Price Index data while the issue is rectified. At the time these accounts are being prepared, it has not been possible to ascertain the potential impact of this issue. However, given the value of the non-property assets potentially affected, the Trust does not expect an adjustment to indexation to have a material impact on the 2024-25 accounts. It is anticipated that ONS will recommence publication of the Producer Price Indices at some point during the 2025-26 financial year and the indexation of non-property assets will be brought up to date in the 2025-26 accounts.

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 2025 by Land and Property Services (LPS).

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:

Asset Type	Asset Life
Freehold Buildings	3 – 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 DoH 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.

The Southern HSC Trust will classify subleases as follows:

- If the head lease is short term (up to 1 year), the sublease is classified as an operating lease;

- otherwise, the sublease is classified with reference to the right-of-use asset arising from the head lease, rather than with reference to the underlying asset.

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.

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 average staff numbers and costs applied to average untaken leave balances determined from a review and sample update for current information to the responses to a survey taken in March 2024 across Southern HSC Trust managers to ascertain estimated annual leave balances to be carried forward at that time.

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 2024-25 accounts. The 2020 valuation assumptions will be retained for most demographic assumptions apart from the assumption for future longevity improvements. GAD have recommended that the future longevity assumptions are updated to be in line with the 2022-based population projections for the

United Kingdom published by the Office for National Statistics (ONS) on January 2025. 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 2024-25.

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 accrual's 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. The Charitable Trust Funds Committee within the Trust manages 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 assesses 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.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

No public sector adaptations or interpretations are proposed. Management has assessed that there is no impact on the Trust's consolidated financial statements.

Amendments or interpretations issued but not yet effective

There are a number of amendments to: IFRS 9 Financial Instruments, IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments Disclosures, IFRS 10 Consolidated Financial Statements, IAS 7 Statement of Cash Flows with effective date of 1 January 2026. The potential impact of these amendments will be considered in the FReM review. The amendments are not likely to lead to a significant change in accounting practice

1.26 Going Concern

The accounts are prepared on a going concern basis. While the consolidated statement of financial position reports a negative Statement of Comprehensive Net Expenditure (SCNE) Reserve of £70m (with an overall net asset position of £52m), this liability is resulting from the provision applied for holiday pay. The Trust has been advised by the DoH that this liability will be funded from central government. Therefore the Trust has concluded that it is appropriate to apply the going concern basis of accounting for the financial statements for the year ended 31 March 2025.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

<u>Directorate</u>	2025			2024		
	Staff Costs £000s	Other Expenditure £000s	Total Expenditure £000s	Staff Costs £000s	Other Expenditure £000s	Total Expenditure £000s
Children and Young People's Services	98,398	33,333	131,731	97,495	32,281	129,776
Medicine and Unscheduled Care	140,127	50,373	190,500	128,644	49,490	178,134
Surgery and Clinical Services	166,814	57,020	223,834	162,064	47,619	209,683
Adult Community Services	135,425	113,680	249,105	132,712	104,050	236,762
Mental Health and Disability Services	106,871	108,392	215,263	107,311	100,705	208,016
Planning, Performance Management and Support Services	83,838	36,668	120,506	79,378	32,073	111,451
Expenditure for Reportable Segments net of Non Cash Expenditure	731,473	399,466	1,130,939	707,604	366,218	1,073,822
Non Cash Expenditure			90,171			123,573
Total Expenditure per Net Expenditure Account			1,221,110			1,197,395
Income Per Net Expenditure Account			56,371			53,535
Net Expenditure			1,164,739			1,143,860
Adjustment to Net Expenditure per Note 21.1			(90,841)			(124,264)
Net Expenditure funded from RRL			1,073,898			1,019,596
Revenue Resource Limit			1,074,004			1,019,635
Surplus against RRL			106			39

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 2025

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.

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

- 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)
- 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

- 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

- 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
- 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 (including Functional Support Services which includes all hotel services, health records, laundry and decontamination services)
- Transformation and Improvement
- Encompass Programme
- 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 2025

NOTE 3 Operating Expenses

	2025			2024		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Operating Expenses are as follows: -						
Wages and salaries	572,889	-	572,889	578,673	-	578,673
Social security costs	52,926	-	52,926	41,123	-	41,123
Other pension costs	105,658	-	105,658	87,808	-	87,808
Purchase of care from non-HPSS bodies	180,652	-	180,652	161,917	-	161,917
Personal social services	49,199	-	49,199	46,294	-	46,294
Recharges from other HSC organisations	3,721	-	3,721	3,427	-	3,427
Supplies and services - Clinical	83,757	-	83,757	79,968	-	79,968
Supplies and services - General	9,015	-	9,015	9,801	-	9,801
Establishment	12,038	-	12,038	12,645	-	12,645
Transport	5,894	-	5,894	5,969	-	5,969
Premises	37,821	-	37,821	28,240	-	28,240
Bad debts	691	-	691	353	-	353
Rentals under operating leases	2,661	-	2,661	1,801	-	1,801
Interest charges	69	-	69	29	-	29
Research and Development expenditure	20	-	20	55	-	55
BSO services	7,224	-	7,224	6,812	-	6,812
Training	1,629	-	1,629	2,072	-	2,072
Professional fees	258	-	258	1,038	-	1,038
Patients travelling expenses	79	-	79	90	-	90
Other charitable expenditure	-	663	663	-	797	797
Miscellaneous expenditure	4,738	-	4,738	5,707	-	5,707

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 3 Operating Expenses (continued)

	2025			2024		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Non-cash items						
Depreciation	28,063	-	28,063	26,934	-	26,934
Amortisation	3,696	-	3,696	3,740	-	3,740
Impairments	(14,581)	-	(14,581)	1,218	-	1,218
(Profit) on disposal of property, plant & equipment (excluding profit on land)	(41)	-	(41)	(63)	-	(63)
Provisions provided for in year	67,524	-	67,524	90,074	-	90,074
Cost of borrowing of provisions (unwinding of discount on provisions)	5,390	-	5,390	1,582	-	1,582
Auditors' remuneration	120	8	128	88	8	96
Add back of notional charitable expenditure	-	(8)	(8)	-	(8)	(8)
Total Operating Expenses	1,221,110	663	1,221,773	1,197,395	797	1,198,192

The Southern HSC Trust incurred costs of £1,830 from the Northern Ireland Audit Office in respect of the National Fraud Initiative exercise for 2024-25 (2023-24: £nil).

Further detailed analysis of staff costs is located in the Staff Report on pages 106 to 120 within the Accountability Report.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 4 INCOME

	2025			2024		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
4.1 Revenue from contracts with Customers						
GB/Republic of Ireland Health Authorities	311	-	311	484	-	484
HSC Trusts	-	-	-	197	-	197
Non-HSC:- Private patients	274	-	274	106	-	106
Non-HSC:- Other	1,104	-	1,104	972	-	972
Clients' contributions	41,866	-	41,866	38,766	-	38,766
CAWT Income	1	-	1	145	-	145
Seconded Staff	718	-	718	1,058	-	1,058
Revenue from non-patient services	6,700	-	6,700	7,643	-	7,643
Total	50,974	-	50,974	49,371	-	49,371
4.2 Other Operating Income						
Other income from non-patient services	4,892	-	4,892	3,773	-	3,773
Charitable and other contributions to expenditure by core trust	-	-	-	4	-	4
Donations / Government grant / Lottery funding for non-current assets	94	-	94	78	-	78
Charitable Income received by charitable trust fund	-	305	305	-	314	314
Finance Income	-	207	207	-	202	202
Research & Development	411	-	411	309	-	309
Total	5,397	512	5,909	4,164	516	4,680
TOTAL INCOME	56,371	512	56,883	53,535	516	54,051

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 5.1 Consolidated Property, Plant & Equipment Year Ended 31 March 2025

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Cost or Valuation									
At 1 April 2024	38,021	370,139	14,239	3,555	84,202	9,377	26,112	1,565	547,210
Indexation	-	-	-	-	490	310	-	56	856
Additions	-	16,762	115	354	7,438	552	9,109	45	34,375
Donations / Government grant / Lottery funding	-	-	-	82	12	-	-	-	94
Reclassifications	-	-	-	-	23	(23)	-	-	0
Transfers	-	6	1,661	(1,667)	-	-	-	-	0
Revaluation	2,059	11,000	-	-	-	-	-	-	13,059
Impairment charged to the SoCNE	-	(8,207)	(368)	(285)	(13)	-	-	-	(8,873)
Impairment charged to the revaluation reserve	-	(69,564)	(3,545)	(70)	-	-	-	-	(73,179)
Reversal of impairments	872	-	-	-	-	-	-	-	872
Disposals	-	-	-	-	(6,826)	(740)	-	-	(7,566)
At 31 March 2025	40,952	320,136	12,102	1,969	85,326	9,476	35,221	1,666	506,848
Depreciation									
At 1 April 2024	-	56,687	1,991	-	62,350	6,644	16,679	1,302	145,653
Indexation	-	-	-	-	381	227	-	48	656
Reclassifications	-	(640)	596	44	23	(23)	-	-	0
Transfers	-	-	-	-	-	-	-	-	0
Revaluation	-	(69,564)	(3,233)	(44)	-	-	-	-	(72,841)
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	0
Impairment charged to the revaluation reserve	-	-	-	-	-	-	-	-	0
Reversal of impairments (indexation)	-	-	-	-	-	-	-	-	0
Disposals	-	-	-	-	(6,826)	(740)	-	-	(7,566)
Provided during the year	-	16,554	738	-	6,305	693	3,703	70	28,063
At 31 March 2025	-	3,037	92	-	62,233	6,801	20,382	1,420	93,965
Carrying Amount									
At 31 March 2025	40,952	317,099	12,010	1,969	23,093	2,675	14,839	246	412,883
At 31 March 2024	38,021	313,452	12,248	3,555	21,852	2,733	9,433	263	401,557
Asset financing									
Owned	40,952	316,996	12,010	1,969	20,581	2,675	14,839	246	410,268
Leased	-	103	-	-	2,512	-	-	-	2,615
Carrying Amount									
At 31 March 2025	40,952	317,099	12,010	1,969	23,093	2,675	14,839	246	412,883

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 5.1 (Continued) Consolidated Property, Plant & Equipment Year Ended 31 March 2025

	£000s
Of which:	
Trust	412,883
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 £984k (2023-24: £662k).

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

	2025 £000s	2024 £000s
Donations	94	78

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 2025. LPS confirmed that the land and building valuations at 31 January 2025 remain appropriate at year end.

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 2025

NOTE 5.2 Consolidated Property, Plant & Equipment Year Ended 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
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	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	-	56,687	1,991	-	62,350	6,644	16,679	1,302	145,653
Carrying Amount									
At 31 March 2024	38,021	313,452	12,248	3,555	21,852	2,733	9,433	263	401,557
At 31 March 2023	37,901	303,253	12,368	6,489	19,938	2,764	10,939	247	393,899
Asset financing									
Owned	38,021	313,307	12,248	3,555	21,466	2,733	9,433	263	401,026
Leased	-	145	-	-	386	-	-	-	531
Carrying Amount									
At 31 March 2024	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 2025

NOTE 6.1 Consolidated Intangible Assets Year Ended 31 March 2025

	Software Licenses £000s	Other £000s	Total £000s
Cost or Valuation			
At 1 April 2024	22,883	-	22,883
Additions	1,406	-	1,406
Reclassifications	-	-	-
Impairment charged to the SoCNE	-	-	-
Disposals	-	-	-
At 31 March 2025	24,289	-	24,289
Amortisation			
At 1 April 2024	12,990	-	12,990
Impairment charged to the SoCNE	-	-	-
Impairment charged to the Revaluation Reserve	(1)	-	(1)
Disposals	-	-	-
Provided during the year	3,696	-	3,696
At 31 March 2025	16,685	-	16,685
Carrying Amount			
At 31 March 2025	7,604	-	7,604
At 31 March 2024	9,893	-	9,893
Asset financing			
Owned	7,604	-	7,604
Carrying Amount			
At 31 March 2025	7,604	-	7,604

There were no assets funded by Donations/Government Grant or Lottery Funding during the year (2023-24: £Nil).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 6.2 Consolidated Intangible Assets Year Ended 31 March 2024

	Software Licenses	Other	Total
	£000s	£000s	£000s
Cost or Valuation			
At 1 April 2023	20,912	-	20,912
Additions	1,985	-	1,985
Reclassifications	17	-	17
Impairment charged to the SoCNE	(31)	-	(31)
Disposals	-	-	-
At 31 March 2024	22,883	-	22,883
Amortisation			
At 1 April 2023	9,268	-	9,268
Impairment charged to the SoCNE	(18)	-	(18)
Disposals	-	-	-
Provided during the year	3,740	-	3,740
At 31 March 2024	12,990	-	12,990
Carrying Amount			
At 31 March 2024	9,893	-	9,893
At 31 March 2023	11,644	-	11,644
Asset financing			
Owned	9,893	-	9,893
Carrying Amount			
At 31 March 2024	9,893	-	9,893

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 7 IMPAIRMENTS

	2025		
	Property, Plant & Equipment	Intangibles	Total
	£000s	£000s	£000s
Impairments charged to Statement of Comprehensive Net Expenditure	8,001	-	8,001
Impairments credited to SoCNE	(22,582)	-	(22,582)
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	(338)	-	(338)
Total value of impairments for the period	(14,919)	-	(14,919)

	2024		
	Property, Plant & Equipment	Intangibles	Total
Impairments (credited) to Statement of Comprehensive Net Expenditure	1,205	13	1,218
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	268	-	268
Total value of impairments for the period	1,473	13	1,486

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

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.

	2025			2024		
	Non-Current Assets	Assets	Liabilities	Non-Current Assets	Assets	Liabilities
	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April	5,434	-	-	5,082	-	-
Revaluations	(133)	-	-	352	-	-
Balance at 31 March	5,301	-	-	5,434	-	-
Charitable Trust Fund	5,301	-	-	5,434	-	-
	5,301	-	-	5,434	-	-

The only other financial instruments held by the Trust as at 31 March 2025 are cash, trade receivables, and trade payables. Details of these can be seen in Notes 11, 12 and 13 respectively. The situation also applied in 2023-24.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 9 MARKET VALUE OF INVESTMENTS

NOTE 9.1 Market value of investments as at 31 March 2025

	Held in UK £000s	Held outside UK £000s	2025 Total £000s	2024 Total £000s
Investments in a Common Deposit Fund or Investment Fund	5,301	-	5,301	5,434
Total market value of Fixed asset investments	5,301	-	5,301	5,434

NOTE 9.2 Analysis of expected timing of discounted flows

	2025			2024		
	Non-Current Assets £000s	Assets £000s	Liabilities £000s	Non-Current Assets £000s	Assets £000s	Liabilities £000s
Not Later than one year	1,500	-	-	1,500	-	-
Later than one year and not later than five years	3,801	-	-	3,934	-	-
	5,301	-	-	5,434	-	-

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 2025 was £5,301k.

The investments saw a loss of £133k in 2024-25 compared to a gain of £352k in the prior year.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 10 INVENTORIES

Classification	2025			2024		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Pharmacy supplies	3,872	-	3,872	4,319	-	4,319
Building & engineering supplies	152	-	152	177	-	177
Fuel	232	-	232	334	-	334
Community care appliances	454	-	454	362	-	362
Laboratory materials	475	-	475	510	-	510
Laundry	116	-	116	113	-	113
Other	515	-	515	515	-	515
Total	5,816	-	5,816	6,330	-	6,330

Other stock includes general ward stocks and catering stock across the various Trust sites.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 11 CASH AND CASH EQUIVALENTS

	2025			2024		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Balance at 1 April	813	1,248	2,061	2,811	1,570	4,381
Net change in cash and cash equivalents	5,876	(8)	5,868	(1,998)	(322)	(2,320)
Balance at 31 March	6,689	1,240	7,929	813	1,248	2,061

The following balances at 31 March were held at

	2025			2024		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Commercial banks and cash in hand	6,689	1,240	7,929	813	1,248	2,061
Balance at 31 March	6,689	1,240	7,929	813	1,248	2,061

NOTE 11.1 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2024 £000s	Cash Flows £000s	Acquisition £000s	2025 £000s	2023 £000s	Cash Flows £000s	Acquisition £000s	2024 £000s
Lease Liabilities	540	(993)	3,068	2,615	39	(653)	1,154	540
Total Liabilities from Financing activities	540	(993)	3,068	2,615	39	(653)	1,154	540

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 12 TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS

	Trust £000s	CTF £000s	2025 Consolidation Adjustments £000s	Consolidated £000s	Trust £000s	CTF £000s	2024 Consolidation Adjustments £000s	Consolidated £000s
Amounts falling due within one year								
Trade receivables	16,624	-	-	16,624	14,995	-	-	14,995
VAT receivable	7,382	-	-	7,382	7,156	-	-	7,156
Other receivables - not relating to fixed assets	1,238	79	(420)	897	3,093	78	(302)	2,869
Other receivables – relating to property, plant and equipment	-	-	-	-	1	-	-	1
Trade and other receivables	25,244	79	(420)	24,903	25,245	78	(302)	25,021
Prepayments	9,186	-	-	9,186	4,376	-	-	4,376
Other current assets	9,186	-	-	9,186	4,376	-	-	4,376
Amounts falling due after more than one year								
Trade receivables	1,211	-	-	1,211	1,576	-	-	1,576
Trade and other receivables	1,211	-	-	1,211	1,576	-	-	1,576
TOTAL TRADE AND OTHER RECEIVABLES	26,455	79	(420)	26,114	26,821	78	(302)	26,597
TOTAL OTHER CURRENT ASSETS	9,186	-	-	9,186	4,376	-	-	4,376
TOTAL RECEIVABLES, FINANCIAL AND OTHER ASSETS	35,641	79	(420)	35,300	31,197	78	(302)	30,973

The balances are net of a provision for bad debts of £5,996k (2024: £5,587k).

The Southern HSC Trust did not have any intangible current assets at 31 March 2025 or at 31 March 2024.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 13 TRADE PAYABLES, FINANCIAL AND OTHER LIABILITIES

	2025				2024			
	Trust £000s	CTF £000s	Consolidation Adjustments £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidation Adjustments £000s	Consolidated £000s
Amounts falling due within one year								
Other taxation and social security	40,426	-	-	40,426	26,574	-	-	26,574
Trade capital payables - property, plant and equipment	13,075	-	-	13,075	12,534	-	-	12,534
Trade capital payables – intangibles	280	-	-	280	248	-	-	248
Trade revenue payables	34,085	-	-	34,085	31,435	-	-	31,435
Payroll payables	36,654	-	-	36,654	78,208	-	-	78,208
Clinical negligence payables	2,518	-	-	2,518	2,793	-	-	2,793
BSO payables	938	-	-	938	1,118	-	-	1,118
Other payables	2,770	457	(420)	2,807	953	313	(302)	964
Accruals	23,895	-	-	23,895	15,421	-	-	15,421
Current trade and other payables	154,641	457	(420)	154,678	169,284	313	(302)	169,295
Current part of lease liabilities	1,073	-	-	1,073	463	-	-	463
Other Current Liabilities	1,073	-	-	1,073	463	-	-	463
Total Payables falling due within one year	155,714	457	(420)	155,751	169,747	313	(302)	169,758
Amounts falling due after more than one year								
Lease liabilities	1,542	-	-	1,542	77	-	-	77
Total non current other payables	1,542	-	-	1,542	77	-	-	77
TOTAL TRADE PAYABLES, FINANCIAL AND OTHER LIABILITIES	157,256	457	(420)	157,293	169,824	313	(302)	169,835

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 14 PROVISIONS FOR LIABILITIES AND CHARGES – 2025

	Holiday Pay	Pensions relating to other staff	Clinical negligence	Restated Other	2025 Total
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2024	68,231	-	128,156	5,139	201,526
Provided in year	48,426	-	24,356	2,921	75,703
(Provisions not required written back)	-	-	(7,205)	(974)	(8,179)
(Provisions utilised in the year)	-	-	(7,316)	(1,885)	(9,201)
Cost of borrowing (unwinding of discount)	2,750	-	2,604	36	5,390
At 31 March 2025	119,407	-	140,595	5,237	265,239

The “Other” figures have been restated as Holiday Pay now disclosed separately due to materiality.

Provisions have been made for 7 types of potential liabilities: 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. Further details are outlined below.

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 2025

NOTE 14 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2025

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, to take account of the return that can be earned from investment. In accordance with the provisions of Schedule C1 to the Damages Act 1996, (as amended by the Damages (Return on Investment) Act (Northern Ireland) 2022) the Government Actuary has reviewed the discount rate for Northern Ireland and determined that the rate should be +0.5% with effect from 27 September 2024, having previously been set at -1.5% from 22 March 2022. The next planned review of the rate will commence in July 2029. Estimated settlement values provided by DLS as at 31 March 2025 wholly reflect the updated rate where applicable.

Holiday Pay Liability

On 4 October 2023, the Supreme Court handed down the decision in the case of the Chief Constable of the PSNI v Agnew and others. The judgement confirmed that the 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 to the beginning of their employment or the implementation of the Working Time Regulations in 1998.

At the point that the Supreme Court judgement was provided, the PSNI had accepted the principle, established by a number of cases in both the European and domestic courts, that the claimants were entitled to be paid their normal pay during periods of annual leave, and that “normal pay” is not limited to basic pay but could include elements such as overtime, commission and allowances.

The outcome of this case has widespread implications for all public sector bodies in Northern Ireland in respect of both the pay elements that must be included in holiday pay calculations and the period of retrospection which means that some employees may be able to bring claims to be rectified as far back as 1998.

With effect from 1 April 2025, HSC employers have implemented an interim arrangement for the calculation of holiday pay to ensure employees are paid appropriately for periods of annual leave. This interim arrangement has been agreed with trade unions pending the introduction of the new HR and payroll system in 2026-27.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 14 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2025

However a provision in respect of the retrospective payment is still required for the period 1998-99 to 2024-25. The Trust provision at 31 March 2025 reflects this retrospective time frame. In calculating the provision, the Trust has used payroll data available, for all eligible staff, within the current HRPTS system back to 2014 with averaging applied for the prior years and changes in staffing numbers. Actual staffing numbers are available for year ended 31 March 2007 to date. Staffing numbers prior to this have been estimated based on an assumed 1% increase per annum.

Revised Working Time Directive (14.5%) and Employer costs rates have been factored in, and compound interest applied. A settlement year of 2026-27 has been used and as such the overall value of the provision has been discounted to determine the net present value.

The key areas of uncertainty include:

- The reliability of the data used.
- The terms of the settlement which is subjected to a number of factors including:
 - the determination of a very significant number of cases currently progressing through the Industrial Tribunal;
 - the number of further Industrial Tribunal claims lodged by employees;
 - any settlement of these claims agreed with the claimants of their legal representatives;
 - the number of grievances already lodged by employees in respect of the underpayment / incorrect payment of holiday pay which require to be resolved and any settlement negotiations with trade unions;
 - the number of further grievances received; and
 - any potential requirement to include additional numbers of employees within any settlement.
- 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.

No sensitivity analysis has been undertaken to assess how much the value of the provision would change if the assumptions used were to differ. The reason for this is the possible permutations for any sensitivity analysis are numerous and the value of the provision is already subject to the key areas of uncertainty identified above.

The overall impact has been to increase this provision from £68.2m in 2023-24 to £119.4m. The increase in 2024-25 is largely interest driven due to the inclusion of 8% compound interest in the calculations.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 14 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2025

Pay Modernisation and Senior Executive Pay

Some Senior HSC Executives had raised a legal challenge to their pay arrangements and this case is in the High Court. Progress has been very slow. This case relates to retrospective pay and the claimants will not benefit from the new proposed Senior Executive pay structures effective from 1 April 2023.

Given the level of uncertainty around the timing of these liabilities, it is deemed appropriate to continue to treat them as a provision under IAS 37 at 31 March 2025.

Comprehensive Net Expenditure Account charges	2025 £000s	2024 £000s
Arising during the year	75,703	106,942
Reversed unused	(8,179)	(16,868)
Cost of borrowing (unwinding of discount)	5,390	1,582
Total charge within Operating expenses	72,914	91,656

Analysis of expected timing of discounted flows

	Holiday Pay	Pensions relating to other staff	Clinical negligence	Restated Other	2025 Total
	£000s	£000s	£000s	£000s	£000s
Not later than one year	-	-	50,762	2,442	53,204
Later than one year and not later than five years	119,407	-	69,657	1,792	190,856
Later than five years	-	-	20,176	1,003	21,179
At 31 March 2025	119,407	-	140,595	5,237	265,239

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 14 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2024

	Holiday Pay	Pensions relating to other staff	Clinical negligence	Restated Other	2024 Total
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2023	20,855	27	97,670	2,258	120,810
Provided in year	47,117	-	56,513	3,312	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)	259	1	1,296	26	1,582
At 31 March 2024	68,231	-	128,156	5,139	201,526

NOTE 14 PROVISIONS FOR LIABILITIES AND CHARGES – 2024

Analysis of expected timing of discounted flows

	Holiday Pay	Pensions relating to other staff	Clinical negligence	Restated Other	2025 Total
	£000s	£000s	£000s	£000s	£000s
Not later than one year	-	-	24,553	3,738	28,291
Later than one year and not later than five years	68,231	-	85,613	418	154,262
Later than five years	-	-	17,990	983	18,973
At 31 March 2025	68,231	-	128,156	5,139	201,526

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 15 CAPITAL AND OTHER COMMITMENTS

	2025 £000s	2024 £000s
Contracted commitments at 31 March not otherwise included in these financial statements		
Property, Plant & Equipment	791	360
	791	360

NOTE 16 COMMITMENTS UNDER LEASES

Note 16.1 Quantitative disclosures around right-of-use assets

	Buildings £000s	Plant and Machinery (Equipment) £000s	Total £000s
Cost of valuation			
At 1 April 2024	258	965	1,223
Additions	127	2,941	3,068
At 31 March 2025	385	3,906	4,291
Depreciation expense			
At 1 April 2024	113	579	692
Charged in year	169	815	984
At 31 March 2025	282	1,394	1,676
Carrying amount at 31 March 2025	103	2,512	2,615
Carrying amount at 31 March 2024	145	386	531
Interest charged on IFRS16 Assets	9	60	69

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

Note 16.2 Quantitative disclosures around lease liabilities

Maturity analysis

	2025 £000s	2024 £000s
Buildings		
Not later than one year	104	75
Later than one year and not later than five years	52	79
	156	154
Less Interest Element	5	7
Present Value of obligations	151	147
Other		
Not later than one year	964	397
Later than one year and not later than five years	1,613	-
Later than five years	70	-
	2,647	397
Less Interest Element	(183)	(4)
Present Value of obligations	2,464	393
Total present value of obligations	2,615	540
Current portion	1,520	463
Non-Current portion	1,095	77

Note 16.3 Quantitative Disclosures around elements in the Statement of Comprehensive Net Expenditure

	2025 £000s	2024 £000s
Expense related to short-term leases	-	31
Expense related to low-value asset leases (excluding short-term leases)	2,662	1,770
Total	2,662	1,801

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 16 (continued) COMMITMENTS UNDER LEASES

Note 16.4 Quantitative disclosures around cash outflow for leases

	2025 £000s	2024 £000s
Total cash outflow for lease	1,062	682

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:

	2025 £000s	2024 £000s
Land and Buildings		
Not later than 1 year	305	305
Later than 1 year and not later than 5 years	574	645
Later than 5 years	632	747
	1,511	1,697

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

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 2025

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

	2025 £000s	2024 £000s
Clinical Negligence	927	1,094
Employers' Liability	177	169
Public Liability	60	37
Other	11	13
Total	1,175	1,313

Unquantifiable Contingent Liabilities

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; 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 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 was reached through mediation for the design and implementation of a future scheme. A public consultation was carried out and DoH are currently considering the response. Any scheme will require Ministerial

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 18 (continued) CONTINGENT LIABILITIES

approval. 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 2025. At this stage, it is not possible to determine the amount and timing of the financial impact, if any.

Statutory Public Inquiry

The draft report into the Statutory Independent Public Inquiry into Urology Services in the Southern HSC Trust is awaited. There have been 35 urology claims lodged to date against the Southern HSC Trust. There may be a possible future liability for potential claims not yet received from patients in relation to their care and treatment. The potential for liability for this is currently unclear and any financial impact unquantifiable at present.

Holiday Pay Liability

The Trust has made provision for 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 calculation will rely on the outworkings of the Supreme Court judgement and will have to be agreed with Trade Unions.

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 (BHSCT) to challenge the policy and the BHSCT application of it. The High Court judgement highlighted that the criteria and threshold for when a person 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. The DoH lodged an appeal against the Judicial Review findings and were successful in November 2024.

All Trusts are awaiting further guidance from DoH in order to be able to address service users who have raised similar challenges to the policy. The potential for any liability for this is currently unclear and any financial impact unquantifiable.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 18 (continued) CONTINGENT LIABILITIES

NOTE 18.1 FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT

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

The Southern HSC Trust has not entered into any quantifiable guarantees, indemnities or provided letters of comfort, at either 31 March 2025 or 31 March 2024.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

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 £1,074,004k (2024: £1,019,635k)

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 from 1 April 2024 to 31 December 2024 (end date of Non-Executive appointment) between related parties was: Southern HSC Trust paid £50,774 (2023-24: £68,767) 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 (2023-24: £nil).

Mrs Pauline Leeson is an independent member of the NIHE Board. The value of transactions from 1 April 2024 to 31 December 2024 (end date of Non-Executive appointment) between related parties was: Southern HSC Trust paid £5,394 (2023-24: £8,175) in respect of rent and for employees' Court Order deductions. Balance outstanding at year end was £nil (2023-24: £nil). Southern HSC Trust received income from 1 April 2024 to 31 December 2024 (end date of Non-Executive appointment) of £1,313,876 (2023-24: £1,512,710) in respect of Supported Living Schemes.

Mrs Pauline Leeson is a member of the Governing Body in the South Eastern Regional College. The value of transactions from 1 April 2024 to 31 December 2024 (end date of Non-Executive appointment) between related parties was: Southern HSC Trust paid £5,621 in respect of staff tuition fees. Balance outstanding at year end was £nil.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 19 (continued) RELATED PARTY TRANSACTIONS

Mrs Liz Ensor has two close relatives who are shareholders and directors of MD Healthcare Ltd. The value of transactions between related parties was £3,579,186 (2023-24: £758,696 from appointment on 1 January 2024 to 31 March 2024) in respect of nursing and residential care provision. Mrs Ensor had no involvement in the procurement of this contract. The transactions were made on terms equivalent to those that prevail in arm's length transactions.

Mrs Michele Corkey is a Board Member of Ulster Supported Employment Ltd. The value of transactions from 1 January 2025 (start date of Non-Executive appointment) to 31 March 2025 between related parties was: Ulster Supported Employment Ltd invoiced Southern HSC Trust £10,323 in respect of employee costs. Balance outstanding to Ulster Supported Employment Ltd at year end was £341. The Southern HSC Trust charged Ulster Supported Employment Ltd £15,115 in respect of staff costs. Balance outstanding at year end due to Southern HSC Trust was £15,115. Mrs Corkey had no involvement in the procurement of this contract.

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 2024-25, the Southern HSC Trust Charitable Trust Funds paid £292,415 (2023-24: £494,775) to the Southern HSC Trust and owed £419,706 (2023-24: £302,118) to the Southern HSC Trust as at 31 March 2025. The Southern HSC Trust Charitable Trust Funds received £nil (2023-24: £10,611) from the Southern HSC Trust during 2024-25 and was owed £nil (2023-24: £nil) from the Southern HSC Trust.

NOTE 20 THIRD PARTY ASSETS

The Southern HSC Trust held £13,042k cash at bank, cash in hand and investments at 31 March 2025 (31 March 2024: £12,257k) 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 189-194.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

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:

	2025 Total £000s	2024 Total £000s
DoH – Strategic Planning and Performance Group	1,054,750	1,001,939
Public Health Agency	9,123	9,002
Northern Ireland Medical and Dental Training Agency	6,757	6,420
SUMDE	3,374	2,274
Total	1,074,004	1,019,635
Revenue Resource Limit Expenditure		
Net Expenditure per SoCNE	1,164,739	1,143,860
Adjustments		
Research and Development under ESA10	(723)	(706)
Depreciation	(28,063)	(26,934)
Amortisation	(3,696)	(3,740)
Impairments	14,581	(1,218)
Notional Charges	(120)	(88)
Movements in Provisions	(72,914)	(91,656)
Income received re Donations / Government Grant / Lottery Funding for non-Current Assets	94	78
Total Adjustments	(90,841)	(124,264)
Net Expenditure Funded from RRL	1,073,898	1,019,596
Surplus against RRL	106	39
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 2024-25.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 21.2 Financial Performance Targets less deficit funding

For the year ended 31 March 2025 the Southern HSC Trust received £37.6m non-recurrent funding from the Department of Health to address the deficit that would otherwise have occurred.

	2025 £000s	2024 £000s
Revenue Resource Limit (RRL)	1,074,004	1,019,635
Less deficit funding received	(37,600)	(41,300)
	1,036,404	978,335
Net Expenditure Funded from RRL	1,073,898	1,019,596
(Deficit) against RRL	(37,494)	(41,261)

NOTE 21.3 Capital Resource Limit

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

	2025 Total £000s	2024 Total £000s
CRL Allocated From:		
Department of Health – Investment Directorate	36,558	29,434
Total CRL received	36,558	29,434
Capital Resource Limit Expenditure		
Capital expenditure per additions in asset notes	35,875	29,192
Charitable trust fund capital expenditure	(94)	(78)
Net Book Value of disposals	-	(48)
Adjustments to add items not capitalised in accounts (i.e. expensed through SoCNE) but funded via CRL		
Adjustment for R&D under ESA10	723	706
Other		
Prepayment for Capital Scheme	-	106
Release of Prior Year Prepayment of Capital Scheme	(106)	(447)
Net Capital Expenditure Funded from CRL	36,398	29,431
Surplus against CRL	160	3

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 03 July 2025.

**ACCOUNT OF MONIES HELD ON BEHALF OF
PATIENTS/RESIDENTS**

YEAR ENDED 31 MARCH 2025

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

YEAR ENDED 31 MARCH 2025

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 Southern HSC Trust is required to prepare and submit accounts in such form as the Department may direct.

The Southern HSC 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 2025

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 2025 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 2025 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 for the monies held on behalf of the patients and residents 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 monies held on behalf of the patients and residents 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 monies held on behalf of the patients and residents 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 for the monies held on behalf of the patients and residents 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 for the monies held on behalf of the patients and residents 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. 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.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU
3 July 2025

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

YEAR ENDED 31 MARCH 2025

Previous Year	<u>RECEIPTS</u>		
£	Balance at 1 April 2024	£	£
9,120,688	1. Investments (at cost)	9,886,771	
2,256,272	2. Cash at Bank	2,366,648	
3,397	3. Cash in Hand	3,905	12,257,324
11,380,357			
3,920,636	Amounts Received in the Year	3,704,062	
266,133	Interest Received	543,525	4,247,587
15,567,126	TOTAL		16,504,911

<u>PAYMENTS</u>			
3,309,802	Amounts paid to or on Behalf of Patients/Residents		3,462,859
	Balance at 31 March 2025		
9,886,771	1. Investments (at Cost)	10,430,297	
2,366,648	2. Cash in Bank	2,608,473	
3,905	3. Cash in Hand	3,282	13,042,052
12,257,324			
15,567,126	TOTAL		16,504,911

Cost Price £	Schedule of investments held at 31 March 2025	Nominal Value £	Cost Price £
9,886,771	Bank of Ireland	10,430,297	10,430,297

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:

Catherine Teggart

Date: 26 June 2025

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

Chief Executive:

Shirley Green

Date: 26 June 2025