



ANNUAL REPORT AND ACCOUNTS 2019-20



Southern Health And Social Care Trust

Annual Report and Accounts

For year ended 31 March 2020

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

17 July 2020

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COMMENTS

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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.
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Performance Report

Performance Overview

Message from Our Chair and Chief Executive



Mrs Roberta Brownlee, MBE
Chair



Mr Shane Devlin
Chief Executive

We all greatly appreciate that now more than ever before, health and social care and indeed our society at large has been facing the biggest public health challenge of our lifetime.

As our staff, both frontline and support services have worked so hard to deal with the Covid-19 pandemic, we are once again reminded of their flexibility, innovation, resilience and total dedication to the health and wellbeing of local people.

There are approximately 380,000 people living in the Southern Trust area – and potentially every one of these will at some time throughout the year need our help, for themselves, or a family member - in a hospital or community setting, or even in their own home.

Indeed, every day our 13,612 employees go above and beyond for local people. Whilst we all recognise the ongoing challenges we face in health and social care, this report highlights some of our achievements throughout what has been another very busy year.

You will read about the dedication of our staff to their patients, clients and community; how they strive to continually improve their services and in many cases excel in delivering high, quality care on a local, regional and national basis.

This year we celebrated the completion of two key developments, the £1 million Direct Assessment Unit at Daisy Hill Hospital and the £3.37 million Aseptic Suite at Craigavon. Developed through the Daisy Hill Pathfinder Project, the Direct Assessment Unit is having a really positive impact. Helping 2,871 patients in its first year, the team are treating people who need urgent medical attention but are not critically ill, freeing up time and space in the Emergency Department for those who need immediate life-saving care. The £3.37 million Aseptic Suite at Craigavon Hospital is located beside the Macmillan Building. The state-of-the-art unit is used for the preparation of highly specialised medications like chemotherapy. The building is known as the 'McWilliams Suite' in memory of our pharmacy colleague, Gillian McWilliams who sadly passed away from cancer a number of years ago.

Of course our staff are our greatest asset and this year, there has been a real focus on developing our workforce. To mark International Nurses Day in May, we launched our Nursing and Midwifery Action Plan which aims to address some of the challenges facing nursing and midwifery into the future.

In June, we celebrated our annual Excellence Awards which is always a lovely opportunity to recognise and celebrate staff who provide outstanding care and support for patients, clients and their families. Dr Kathryn Boyd, Consultant Haematologist, was announced as Overall Winner after also receiving the 'People's Choice - Award for Outstanding Care and Compassion'.

Also in June, we were delighted that our acute hospital network (Craigavon Area and Daisy Hill) was yet again named amongst the top 40 hospitals in the UK. This award recognises that the Southern Trust is providing high quality care and treatment in our hospitals and it is a real credit to our staff, despite the growing demands and continued challenges they face every day, that they are clearly making a huge difference to hundreds of thousands of patients.

In November, we were delighted to team up with Newry, Mourne and Down District Council to host our first major careers event which was a huge success. Around 1,000 young people from local post primary schools, the Southern Regional College and general public, attended the event to see and experience the wide range of career opportunities available across the Trust.

We had another very busy winter period this year, along with the challenges of industrial action from November through to January, when we welcomed the commitment of our new Health Minister and Executive to address the ongoing workforce issues.

In February we were delighted to welcome Minister Robin Swann on his first visit to the Southern Trust. The Minister met Trust Board members and staff side representatives on the Craigavon site before visiting the Bluestone Unit, the Emergency Department and the Respiratory Ward to speak with these teams and learn about their work.

Throughout the year we received great support from the local community and service users and thanks to such generosity, the Trust has benefitted from £224,195 in voluntary donations. These contributions help us to buy additional equipment and comforts to enhance quality of care and patient and client experience right across our services. On behalf of all of our staff, we thank everyone who has made such donations.

As an organisation, we also want to give back to our local community and our very generous staff whole heartedly embraced our 2018-2020 Charity Partnership with PIPS Upper Bann and PIPS Hope and Support. In total we raised £50,269 over the two years for these fantastic organisations through a range of events like raffles, coffee mornings, sponsored activities and a gala ball.

We have always enjoyed effective partnership working with the community and voluntary sector, councils, other agencies and elected representatives. The strength of these relationships has never been more evident than during the current pandemic. We sincerely thank all of these partners, who along with colleagues from other health and social care organisations have worked tirelessly to support our own staff and protect the broader population.

What we have achieved by all working together at this time has been so impressive. We have learned many lessons that we will use as we aim to recover services and as we strive to improve the health and wellbeing outcomes of our local population into the future.



Roberta Brownlee, MBE
Chair



Shane Devlin
Chief Executive

Trust Purpose and Activities

The Southern Health and Social Care Trust is an integrated health and social care Trust with an annual budget of £810m employing 13,612 (11,228 whole time equivalent) staff and managing an estate worth £299m.

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

The population* (as at mid-2018) we serve is 383,541.

**Mid-2018 population estimates for Northern Ireland published on 26 June 2019.*
<https://www.nisra.gov.uk/publications/2018-mid-year-population-estimates-northern-ireland>

The services we provide include a wide range of hospital, community and primary care services. Main in-patient 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 Trust premises, in people's own homes and in the community. The Trust purchases some services including domiciliary, residential and nursing care from independent and community/voluntary agencies.

The Southern Trust Vision is 'to deliver safe, high quality health and social care services, respecting the dignity and individuality of all who use them' and this is underpinned by six values which have been developed to help achieve the vision.

Our Values state that we will:

- Treat people fairly and with respect;
- Be open and honest and act with integrity;
- Put our patients, clients and community at the heart of all we do;
- Value and give recognition to staff and support their development to improve our care; and
- Listen and learn and embrace change for the better.

Our HSC values and associated behaviours are:

- Working together;
- Excellence;
- Compassion; and
- Openness and Honesty.

Our Objectives are:

- Promoting safe high quality care;
- Supporting people to live long, healthy, active lives;

- Improving our services;
- Making the best use of our resources;
- Being a great place to work – supporting, developing and valuing our staff; and
- Working in partnership.

The following report provides an overview on how we have delivered these objectives in 2019-20.

A Year Across the Southern Health & Social Care Trust and Staff Highlights

April

- Our breast cancer team was the first in Northern Ireland to introduce a new non-surgical alternative to removing unspecified breast lesions. Previously patients with a particular type of breast lesion, known as 'B3' had to undergo open surgery, under general anaesthetic for it to be removed and diagnosed.
- The team has now replaced this surgical diagnostic biopsy with a much less invasive procedure, performed by Radiologists - 'Vacuum Assisted Excision' which takes just 20 minutes under local anaesthetic.
- Southern Trust Allied Health Professionals (AHPs) were recognised amongst the best in the UK at the 2019 Advancing Healthcare Awards. The Trust's AHP flexible workforce pool were finalists in the category 'maximising resources for success', sponsored by the Department of Health NI.



May

- To mark Acquired Brain Injury Week in May, the Southern Brain Injury Forum hosted an event to help health and social care staff better understand the challenges after brain injury and consider the best ways to support people and their families.
- The Trust was the first in Northern Ireland to trial knee replacement surgery as a day case to avoid prolonged hospital stays for suitable patients. Some patients requiring unicompartmental knee replacement - which uses metal and plastic components rather than a full knee joint - are now being offered the option of a same day discharge, as their surgery is much less invasive, with less post-operative pain and an earlier return to function.



June

- In June, Richard Pengelly, Permanent Secretary for the Department of Health officially opened the new Direct Assessment Unit at Daisy Hill Hospital. The £1 million project was one of the proposals agreed through the Daisy Hill Pathfinder Project to help sustain and develop unscheduled care services for the Newry and Mourne population. In its first year, the unit received 2,871 referrals to treat patients who need some urgent medical attention but not critical care, freeing up space and time in the Emergency Department next door for those more acutely ill.
- The Fit 4 U team celebrated Learning Disability Week by working with Mencap to encourage people to become involved in inclusive sporting activities in their local communities.



- Our staff Excellence Awards also took place in June, our annual opportunity to recognise and celebrate staff who provide outstanding care and support for patients, clients and their families. Dr Kathryn Boyd, Consultant Haematologist, was Overall Winner after also receiving the 'People's Choice - Award for Outstanding Care and Compassion'.



July

- We received two top prizes at the prestigious UK wide Public Sector Paperless Awards which recognise digital progress and best practice. Mark Toal, Head of Technology and Innovation, received the 'Special Recognition Award' and The PARIS Implementation Team received the 'Most Flexible Digital System' whilst the District Nursing Service was also a finalist in the 'Best use of E-Forms' category.
- Our Learning Disability Service also scooped three categories at the National Learning Disabilities and Autism Awards. Bernie McNaughton, received the Learning Disability Nurse Award, Glanree House Support Staff received the Supporting Older People with Learning Disabilities Award and the Disability Day Services Team, received the Great Autism Practice Award.



August

- The hard work and dedication of more than 300 Volunteers in the Southern Trust was recognised at an annual event in August. The national theme for 2019 'Time to Celebrate' was an opportunity to raise awareness of and to thank the dedicated volunteers who give up their time to help and support patients, visitors and clients every day.
- Our new £3.37m Aseptic Suite opened at Craigavon Area Hospital. Located in front of the Macmillan Building, the new state of the art unit is used for preparing and dispensing highly specialised medications like chemotherapy. The building is known as the 'McWilliams Suite' in memory of a pharmacy colleague Gillian McWilliams who sadly passed away from cancer a number of years ago.



September

- A new Courtyard Cabin was opened at Craigavon Hospital offering a unique and supportive space for people to come together away from the busy and often stressful hospital environment.
- A number of local mums and their babies worked with our maternity team to develop a video about the service. With around 6,000 babies born each year in the area, the video helps prepare parents to be for their pregnancy journey.



- Along with a number of activities organised to mark Palliative Care Week, we hosted a conference for hospital, community, hospice and care home staff on the 'Priorities for End of Life Care'.

October

- Craigavon Hospital's Obstetric and Gynaecology Team was ranked top in the UK for training by its Royal College. The Royal College of Obstetricians and Gynaecologists undertakes the evaluation based on feedback from trainee doctors and 174 units from across the UK were included in the survey.
- Our Allied Health Professional Central Booking Unit celebrated its 10th anniversary. The unit manages all referrals and appointment bookings across the Trust for Physiotherapy, Podiatry, Nutrition and Dietetics, Occupational Therapy and Speech and Language Therapy.



To mark International Day of Older Persons we teamed up with Armagh City, Banbridge and Craigavon Borough Council and organised a really successful celebration of 'Positive Ageing'.

November

- In November we launched a new five year Infant Mental Health Strategy for the Southern area. The strategy represents a commitment by statutory, voluntary and community organisations to promote positive infant mental health from the ante natal period through to children aged three years of age.
- A celebratory event took place in recognition of the 170 nurses and midwives who completed university programmes over the previous year.



December

- Daisy Hill Hospital and Newry & Mourne locality achieved reaccreditation of the prestigious Baby Friendly award from the children's rights organisation, UNICEF, for their best practice in strengthening mother-baby relationships and supporting breastfeeding.
- Around 100 social work staff who support children and families came together to share their learning and progress in implementing the new 'Signs of Safety' practice approach which is part of a wider transformational programme in family and children's social services across Northern Ireland.
- The Outpatient Parenteral Antimicrobial Therapy Team, marked one year in service by avoiding an estimated 2,766 days in hospital for patients. The team of microbiologists, pharmacists and nurses support discharge and help avoid admissions for many patients by providing antibiotic treatment at home.



January

- Residents and staff of Slieve Roe House in Kilkeel celebrated its 40th anniversary! Slieve Roe provides residential care for 17 older residents who enjoyed refreshments and entertainment to mark the special occasion.
- Our Community Forensic Adult Learning Disability Team hosted a conference to raise awareness of their work and learning over the past 10 years. The Team offers a range of therapeutic interventions and services to adults with learning disability who have already or could potentially have contact with the criminal justice system.



February

- A group of our nurses and midwives were selected to take part in a global drive to raise the profile of their profession. 2020 is the World Health Organisation's 'Year of the Nurse and Midwife' to celebrate the 200th Anniversary of Florence Nightingale's birth. The 'Nightingale Challenge' aims to recruit 20,000 nurses and midwives from across the world to take part in learning and networking events throughout the year.
- We hosted a special celebration event showcasing stories directly from patient and clients who have experienced a range of Allied Health Professionals (AHPs) services. "The Voices that Matter Event", brought together AHPs from across all disciplines along with other health and social care staff to hear the inspiring stories from service users.



March

- In March we hosted an event to recognise all the hard work and effort staff put in to successfully gaining their vocational qualifications. Around 65 staff from across our services took on the commitment of achieving a vocational qualification, in addition to their every day jobs and personal responsibilities.
- We teamed up with best friends Beth McDaniel and Ellen Watson to raise awareness of Type 1 diabetes. With a huge social media following, the girls known as the 'Diabetic Duo' are keen to dispel the myths and show that you can lead a normal lifestyle with Type 1 diabetes.
- A group of service users worked with Speech and Language Therapists to launch the 'Strive to Meet the 5' campaign to improve communication with people who have a learning disability.



PERFORMANCE ANALYSIS 2019-20

Ministerial Priorities for 2019-20

The 2019-20 Commissioning Plan Direction (CPD) set out the Objectives and Goals for Improvement (OGIs) for all Trust to work towards. These objectives are structured around four strategic aims linked to the vision as set out in the Minister's *Health and Wellbeing 2016 'Delivering Together'*:

- To improve the health of the population
- To improve the quality and experience of health and social care
- To ensure sustainability of the services delivered
- To support and empower the staff delivering health and social care services

When the objectives are set each year the Southern Health and Social Care Trust (the Trust) assesses its ability to meet the 'target' or improvement sought. This assessment is set out in our Trust Delivery Plan (TDP) which is approved by the Trust Board and the Regional Health and Social Care Board (HSCB).

Of the 71 objectives in the 2019-20 CPD, 67 are applicable to the Trust, with 11 of the 67 being multi-agency objectives. For the multi-agency objectives the Trust only reports against the actions for which it is responsible. Based on the challenging environment, that the Trust continues to operate within, it has assessed that 56% of the objectives would either not be met or would only be partially met.

Due to the reporting timeline the validated year-end position will not be available until June 2020. The performance noted is based on assessment at the end of March 2020, for the majority of objectives.

Progress against all our objectives is reported at the Trust Performance Committee (a sub-committee of the Trust Board); Trust Board; and published on the Trust website at www.southerntrust.hscni.net

How we performed in 2019-20

In the main, the Trust performance in 2019-20 is as anticipated in the TDP. However, there were a number of areas where Trust performance was better than anticipated, for example: Hospital Cancelled Out-Patients; Anti-biotic Usage; Community Based Short Breaks; and Flu Vaccination.

This year, has again been a challenging year for the Trust, in terms of securing the level of resources required to meet demand for the delivery of objectives and also in the recruitment and retention of a skilled and experienced workforce necessary to deliver the services.

A themed summary of 2019-20 performance is provided below.

Key: Performance against the 2018-19 performance (not against the objective):

↑ Improved = Relatively Static ↓ Decreased

Cancer Care

Cancer Services is patient activity, which is predominantly planned in advance, generally following a referral from Primary Care or another Health Professional.

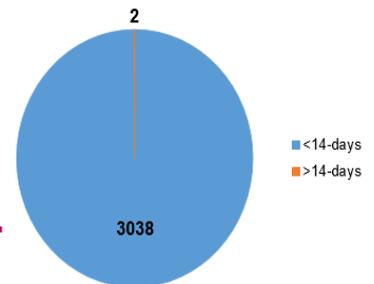
Cancer Services are provided, dependent on tumour site, either by the Trust solely or in conjunction with Belfast Trust.

Cancer objectives are focused on the patient's journey on the pathway and have no specified levels of activity/capacity defined to them. The Trust continues prioritise available capacity to meet the demands of Red Flag and Urgent work.

Suspect Breast Cancer (14-Days) @ 31 March 2020

Cumulative Performance **99.9%** Seen <14-days =

(Objective: 100%) **Regional Average 86%**



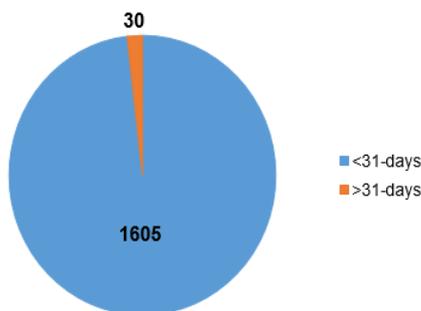
3038 out of **3040** patients seen within 14-days

Cancer Pathway (31-Days) @ 31 March 2020

Cumulative Performance **98.2%** Commenced =

First Definitive Treatment <31-days

(Objective: 98%) **Regional Average 93%**



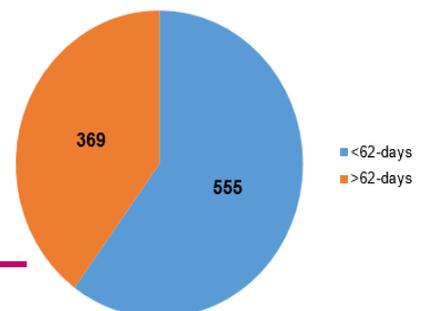
1605 out of **1635** patients seen within 31-days

Cancer Pathway (62-Days) @ 31 March 2020

Cumulative Performance **60.1%** Commenced ↓

First Definitive Treatment <62-days

(Objective: 95%) **Regional Average 51%**



555 out of **924** patients seen within 62-days

Elective Care

Elective Care is patient activity which is planned in advance, generally following a referral from Primary Care or another Health Professional. Elective Care Services within the Trust are commissioned by the Health and Social Care Board, however, commissioned levels of activity do not consider all the operational pressures and issues which impact upon the delivery of the volumes commissioned. An example of the pressures would be those directly related to workforce vacancies and our ability to recruit due to the shortage of particular professions within the labour market. In addition Elective Care capacity is directly affected by competing demand from both Unscheduled Care and Cancer Care. These competing demands have an impact on Elective Care performance, as is demonstrated in the key performance during 2019-20 highlighted:



Allied Health Professions

@ 31 March 2020

7,134 Patients Seen >13-weeks ↓
(Objective: 0 >13-weeks)

Regional Total 18,476

47,799 New Assessments Undertaken



Diagnostic Reporting Turnaround

Time @ 29 February 2020

Cumulative Performance 81.9% Reported

<48-hours =
(Objective: 100% within 48-hours)

Regional Average 85%

43,967 Urgent Reports Undertaken



Out-Patients @ 31 March 2020

Cumulative Performance 28.3%

Seen <9-weeks ↓
(Objective: 50% <9-weeks)

Regional Position @ March 21%

11,851 patients >52-weeks ↓
(Objective: 0 >52-weeks)

Regional Total @ March 240,907

76,846 New Out-Patient Assessments Undertaken



Diagnostics @ 31 March 2020

Cumulative Performance 39% Seen <9-weeks ↓
(Objective: 75% <9-weeks)

Regional Position @ March 46%

12,568 patients >26-weeks ↓
(Objective: 0 >26-weeks)

Regional Total @ March 28,130

264,290 Imaging Tests Undertaken



In-Patients/Day Cases @ 31 March 2020

Cumulative Performance 31.3% Seen <13-weeks ↓
(Objective: 55% <13-weeks)
Regional Position @ March 29%

4,013 patients >52-weeks ↓
(Objective: 0 >52-weeks)
Regional Total @ March 66,744

**37,122 In-Patients
and Day Cases
(including Scopes)
Undertaken**

Unscheduled Care

Unscheduled Care is patient activity which is not planned in advance. Patients will access services following a referral from Primary Care, another Health Professional, or by patient self-presentation to the GP Out of Hours Service, the Emergency Departments, or the Minor Injuries Unit. Challenges with Unscheduled Care are reflected in Emergency Department performance but present across the whole hospital system with patients increasingly waiting long periods for admission to a hospital bed. This in turn puts pressure on both the flow of patients within our hospitals and discharge planning. Key performance indicators during 2019-20 are:

Emergency Department (A&E)

Emergency Department

@ 31 March 2020

70.2% Triage to Treatment <2-hours ↓
(Objective: 80% <2-hours)
Regional Average 77%

**64.2% Treated/Discharged/
Admitted <4-hours** ↓
(Objective: 95% <4-hours)
Regional Average 65%

12,283 Waiting >12-hours ↓
(Objective: 0 >12-hours)
Regional Total 45,401

169,709 New ED Attendances



Discharges from Acute Hospitals

@ 31 March 2020

**Complex Discharges Cumulative
Performance 68.9%** ↓
(Objective: 90% within 48-hours)
Regional Average 77%

**Simple Discharges Cumulative
Performance 92%** ↓
(Objective: 100% within 6-hours)
Regional Average 93%

36,724 Acute Hospital Discharges

GP OOH

GP Out of Hours @ 31 March 2020

73.7% Urgent Calls Triage

<20-minutes ↓

(Objective: 95% <20-minutes)

Regional Average 78%

68,244 Calls Received GP OOH
(April 2019 to February 2020)



Hip Fracture @ 31 March 2020

90.2% Treated <48-hours =

(Objective: 95% <48-hours)

Regional Average 78%

431 Hip Fractures Repaired

Children and Young People

There are a number of objectives which seek to improve the health and wellbeing of Children and Young People. Key performance during 2019-20 highlights:



Breastfeeding
(from birth, upon discharge)
@ 31 March 2020

Cumulative Performance **51%** =
(Objective: >50.5%)
No Regional Comparison Available



Breastfeeding
(at 6-9-months)
@ 30 September 2019

Cumulative Performance **16.5%** =
(Objective: >16.9%)
No Regional Comparison Available



CAMHS @ 31 March 2020

52 Waiting >9-weeks ↓
(Objective: 0 >9-weeks)
Regional Total @ March 671



Young Carers Short Breaks
@ 30 September 2019

195 Young Carers in Receipt of Short Breaks ↓
(Objective: 230 Young Carers)
No Regional Comparison Available



Unallocated Child Care Cases
@ 31 March 2020

122 Unallocated Cases (*new objective for 2019/2020*)
(Objective: 57)
No Regional Comparison Available



Adoption @ 31 March 2020

77% Adopted <3-years =
(Objective: 90% <3-years)
No Regional Comparison Available

Older People and Vulnerable Adults

A range of objectives seek to support the Trust's older population and their carers, and vulnerable adults and their carers. Key performance during 2019-20 highlights:



Mental Health

@ 31 March 2020

Adult Mental Health 389 >9-weeks ↑

(Objective: 0 >9-weeks)

Regional Total @ March 1,181

Dementia 69 >9-weeks ↓

(Objective: 0 >9-weeks)

Regional Total @ March 661

Psychological Therapies 262 >13-weeks ↑

(Objective: 0 >13-weeks)

Regional Total @ March 3,094



In-Patient Discharges

@ 31 March 2020

Mental Health 95.5% <7days ↑

(Objective: 99% <7-days)

No Regional Comparison Available

Learning Disability 89.1% <7days ↓

(Objective: 99% <7-days)

No Regional Comparison Available

Mental Health 933 Discharges
(26 >7-days)

Learning Disability 46 Discharges
(2 >7-days)



Carers Assessments

@ 31 March 2020

3,030 Assessments Offered ↓

(Objective: 4,721)

No Regional Comparison @ March Available

834 Assessments Completed



Community Based Short Breaks

(Non-Bed Based)

@ 31 December 2019

400,781 Community Based Hours ↑

(Objective: 403,756)

Regional Total @ December 1,579,417

546,096 Bed Based Respite Hours



Direct Payments @ 31 December 2019

953 Service Users in Receipt ↑

(Objective: 955)

Regional Total @ December 5,566

Workforce

2019-20 demonstrated, again, challenges in the ability to recruit and retain the funded level of skilled and experienced workforce. Key performance indicators during 2019-20 are:



Flu Vaccination @ 28 April 2020

Cumulative Performance 36% ↑

Staff Vaccinated

(Objective: 40%)

No Regional Comparison Available

**3,004 frontline staff vaccinated plus
1,067 non-frontline staff**



Sickness Absence @ 31 March 2020

Cumulative Performance 982,214 Hours

Absent ↓

(Objective: 850,579)

No Regional Comparison Available

Cumulative Absence Rate 5.4%

Safe Systems of Care

The Trust continues to focus on safe systems of care across the acute and community work streams with a continuing emphasis on its Infection Prevention and Control (IPC) strategy. Key performance during 2019-20 highlights:



Antibiotic Consumption (Total) @ 31 January 2020

Cumulative Performance **61.8%** =
(Objective: >55%)
No Regional Comparison Available



MRSA Infections @ 31 January 2020

Cumulative Performance **4** =
(Apportioned Objective: 4 cases)
Regional Total @ January 41



Clostridium Difficile Infections @ 31 January 2020

Cumulative Performance **57** ↓
(Apportioned Objective: 42 cases)
Regional Total @ January 306



Gram Negative Bloodstream Infections @ 31 January 2020

Cumulative Performance **57** ↑
(Apportioned Objective: 48 cases)
Regional Total @ January 445

Research and Development

Research Studies

During the year, research has taken place throughout a range of specialties, namely, Cardiology, Cancer, Children's, Critical Care, Gastroenterology, Renal, Rheumatology, Respiratory and Stroke. In addition new research has commenced in the specialties of Anaesthetics, Mental Health, Neurology and Rheumatology. The Trust is also committed to providing support to all staff undertaking research as part of their academic studies in Allied Health Professions, Nursing, Midwifery and Social Work.

As well as the direct benefits of providing new treatments or interventions and increasing the quality of care provided for patients and clients, research motivates staff to identify service improvements.

Interreg VA – ECME Project

An initiative, led by Ulster University and assisted by the Trust as the clinical partner, was successful in a European funded application through Interreg VA entitled 'Eastern Corridor Medical Engineering Centre'. Three PhD Students were appointed and they will undertake research at Craigavon Area Hospital with a concentration on Cardiology and Point of Care Testing. The PhD Students will be supervised by Trust Consultants.

Northern Ireland Ambulance Service

In November 2018, the Trust Research and Development Office were pleased to accept the invitation from the Public Health Agency, Research and Development Division to undertake research governance for the Northern Ireland Ambulance Service. A Memorandum of Understanding between the NI Ambulance Service and the Trust was signed-off on 16 July 2019.

INVEST NI – Innovation Voucher Scheme

The Trust was the first to sign-up to the Innovation Voucher Scheme which Invest NI advertises on a quarterly basis. The Scheme offers businesses the opportunity to seek research expertise from the Trust. In return for the support, the Trust can receive £5,000 up to a maximum of £15,000 for assistance with any one initiative.

First PHA Research and Development Division Doctoral Fellowship awarded to a member of Trust Staff

Dr Alicja Jasinska-Piadlo, who works in Cardiology, was awarded the Doctoral Fellowship. In November 2019 Dr Alicja Jasinska-Piadlo commenced a Study entitled "A data mining approach to understanding heart failure: retrospective and real time analysis of Northern Ireland heart failure databases to enhance patient outcomes".

Health and Life Sciences – Armagh City, Banbridge and Craigavon Borough Council

During 2019-20, the Trust's Research and Development staff remained committed to contributing to the Health and Life Sciences Forum established by Armagh, Banbridge and Craigavon Borough Council.

Financial Performance 2019-20

Financial Position

As predicted at the outset of the financial year, 2019-20 has been yet another financially challenging year for the entire Health & Social Care System. In addition, the Trust was not exempt to the twin pressures of increasing demand and rising costs. We have remained focused on delivering real service improvements at the same time as dealing with increased demand.

In order to deliver a balanced financial plan across the HSC, it was necessary for Trusts to develop savings plans to deliver their share of a total of £64.5m of savings in 2019-20; the Trust's share of this target was £1.15m, £1.04m of which was directly linked to pharmaceutical savings.

The Trust's Financial Strategy was 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. Resources are prioritised to deliver the 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.

The Trust has achieved financial balance in 2019-20. This is against a backdrop of a number of cost pressures during the year, most particularly as a direct result of the increased activity during the winter months, workforce pressures and then our need to respond rapidly to the impact of COVID-19. This achievement has only been made possible through a combination of staff dedication, commitment and strong corporate governance. The Trust has worked hard to balance high quality, safe patient care together with increasing demands for our services.

Financial Environment

The Trust's approach to financial planning for any financial year commences as early as possible during the preceding year. The aim is to ensure financial break-even with less income in real terms and at the same time securing delivery of the modernisation and reform agenda. Planned expenditure is considered on a

programme of care basis and includes a detailed review of both existing baselines and incremental changes applicable to the financial year in question.

The Trust has consistently delivered efficiency savings over a number of financial years and as a direct result, savings are becoming more difficult to achieve on a recurrent basis.

The Trust also continued to experience a range of cost pressures during 2019-20, a significant proportion of which was directly linked to a growth in Emergency Department demand, unscheduled care demand and COVID-19

Notwithstanding the enormity of the challenge, the Trust achieved financial balance in 2019-20, in tandem with driving forward the much welcomed transformation agenda.

Financial Targets

The Trust is required to operate within revenue and capital budgets delegated to it by the Department of Health, (DoH) and the Health and Social Care Board, (HSCB).

This has been achieved through the successful implementation of the Trust's financial strategy for the year and the continued efficient use of resources.

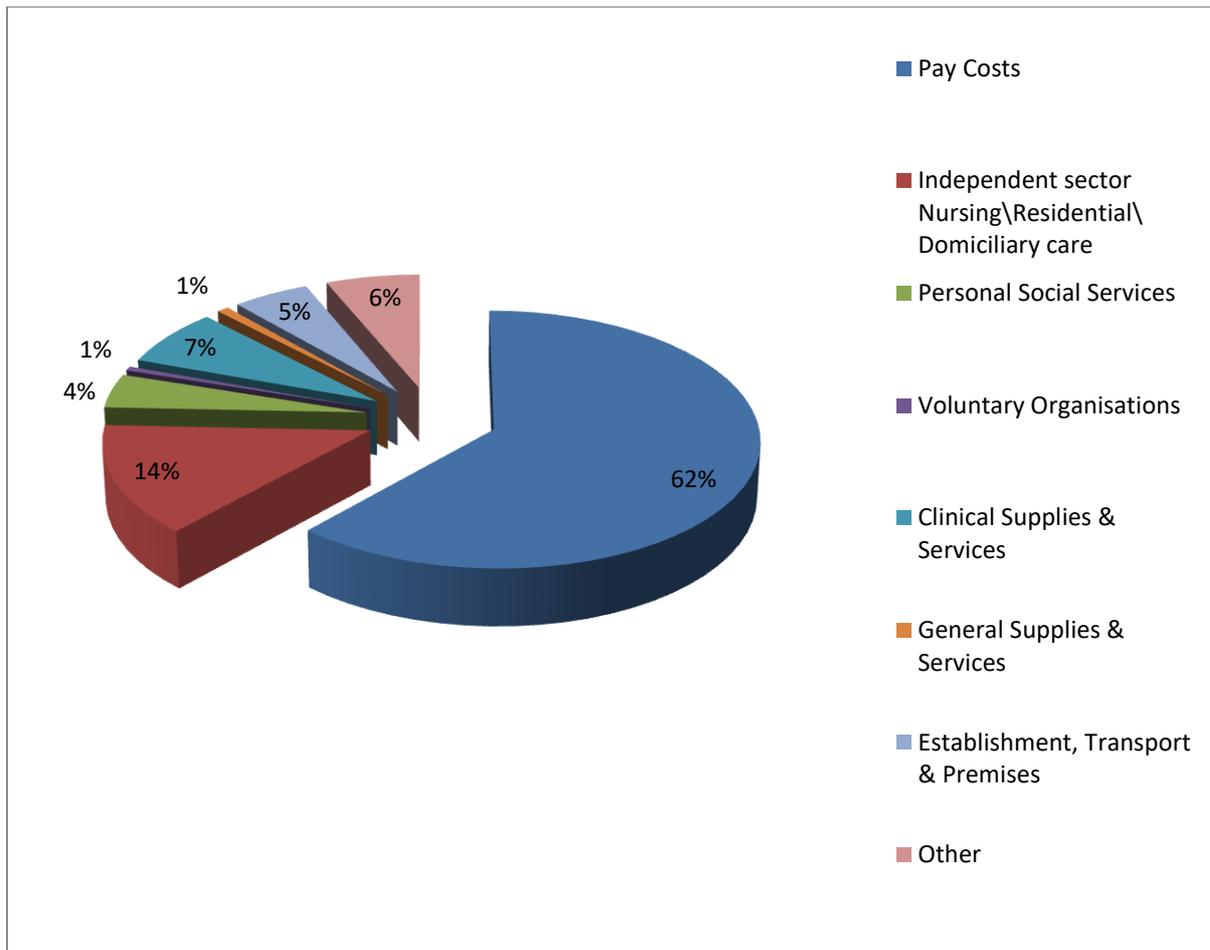
Financial Governance

At the beginning of each financial year, the 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 Trust's Senior Management Team. In addition, there are Chief Executive level accountability meetings at least three times a year, for all Directorates at which financial governance is one of the areas examined.

Income and Expenditure in 2019-20

The Trust receives the vast majority of its income, 90%, from the Department of Health, (DoH), through the HSCB. In addition the Trust is provided with an allocation for medical education. The largest single remaining funding stream is the income received from clients in residential and nursing homes.

The Trust's total expenditure in year was £809m and, as in previous years, staff costs are the largest component of expenditure accounting for 62% of operating expenses. The chart below provides a summary of expenditure into its main elements:-



Expenditure remained within the Revenue Resource Limit (RRL) of £764m by £43k.

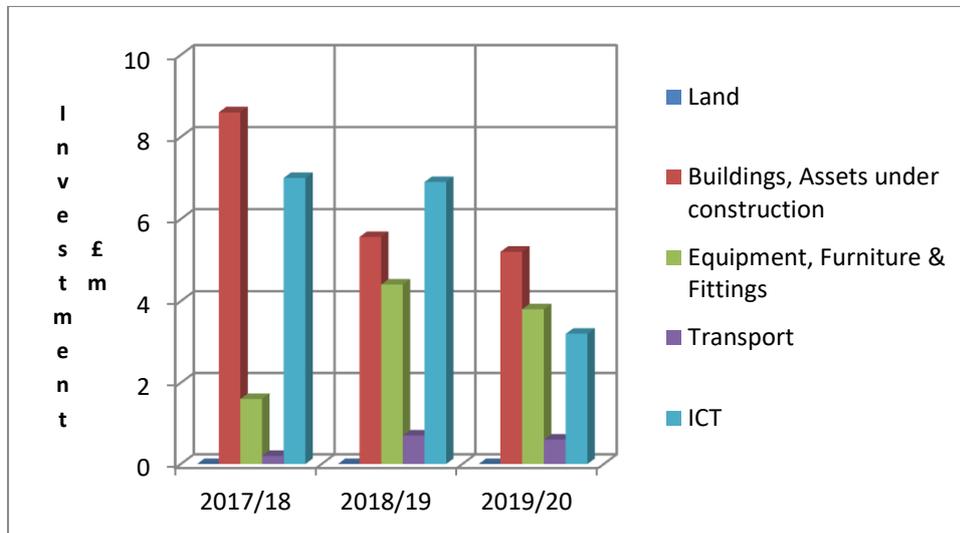
Capital Investment

The 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 Trust had a capital allocation of £13.2m for 2019-20: £2.7m for Information Technology; £1m for transformation projects; £1.4m for invest to save projects and £6.8m for general capital requirements. The Trust also secured additional capital investment to support a range of backlog maintenance schemes.

The Trust is constrained by the Capital Resource Funding, (CRL), made available for capital investment, however, as the diagram overleaf demonstrates, significant investment has been made over the last 3 financial years:-

Capital Investment 2017-18 to 2019-20



The Trust was unable to spend £697k of its overall capital allocation. The majority of this underspend was as a direct result of COVID-19, some equipment was delayed at borders and contractors failed to complete scheduled works in time for the 31st March 2020 deadline.

Going Concern

The Trust is beginning the 2020-21 financial year with a substantial underlying funding gap. A budget settlement for 2020-21 has been agreed for DoH, however, at this stage there is no formally agreed budget for the Trust for the coming financial year.

The cost of providing services is increasing, with estimates suggesting 5-6% annually. This is due to an increasing ageing population with greater and more complex needs, increasing costs for goods and services, and growing expertise and innovation which mean a more extensive range of services are available, supporting improvement in the health of our population. All of these factors combine to impose an upward pressure on the funding required just to stand still.

The 2020-21 budget settlement announced for the DoH is £6,158.4m, whilst this represents an increase of 4.7% when compared to the end of 2019-20, it is recognised that the overall system will continue to experience financial pressure.

Extensive budget planning work to support the 2020-21 position is ongoing between the Trust, HSCB 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 agenda to safeguard vital services for the future.

There is no doubt that 2020-21 will be another exceptionally difficult year for the entire Health and Social Care System with the significant disruption and economic uncertainty caused by the COVID-19 pandemic and also any changes in legislation, regulation and funding arrangements that may occur as a result of the current negotiations with the EU during the transition period. However, as with other financial years, the Trust remains committed to achieving financial break-even.

This financial risk has been outlined in the Governance statement on pages 45 - 80.

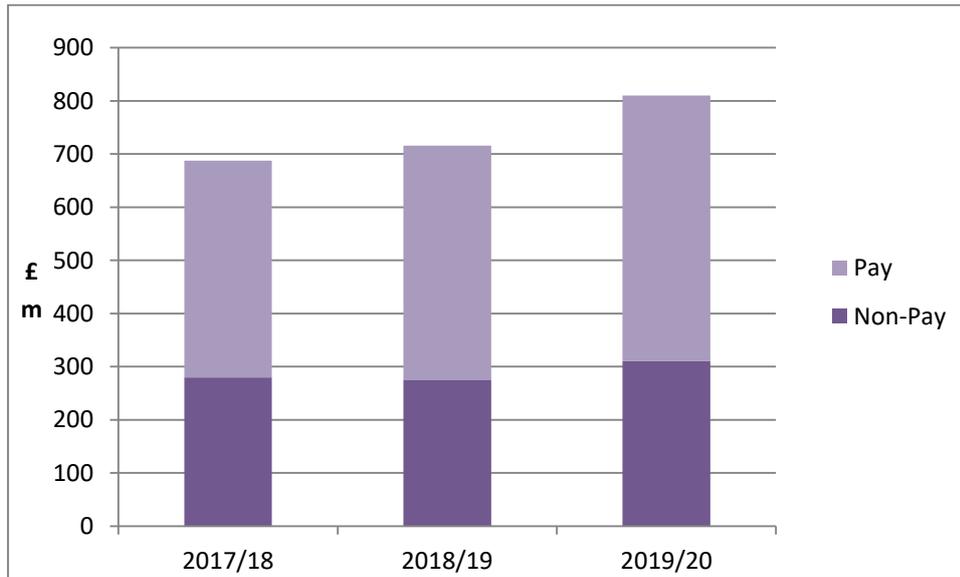
Long term Expenditure Trends and Plans

Revenue

The Trust is constrained by the level of funding available to it by the NI Assembly. The Northern Ireland Executive invests almost 46% of its entire budget, in providing health and social care services for the people of Northern Ireland. It is understood that as a system a 6% budget increase is required annually simply to stand still. This is clearly not sustainable given the requirements of all public services.

In the Ministers “Health and Wellbeing 2016 – Delivering Together”, it is recognised that significant work is needed to develop, design and deliver the building blocks that will enable a sustained improvement. Significant investment will be required in tandem with continual improvements to secure further efficiencies in service delivery.

The table below shows the actual revenue expenditure, broken down by pay and non-pay categories, incurred by the Trust from 2017-18 to 2019-20:



Capital

The amount of capital investment afforded to the Trust is directly influenced by the overall economic environment.

As part of a 10 year review of capital priorities, the Trust has identified a need for investment in excess of some £400m, this includes redevelopment of Craigavon Area Hospital together with much needed infrastructure and backlog maintenance requirements.

It is difficult to envisage a situation where the Trust will have access to the absolute full investment required and as such the Trust will be required to continue to ensure that funding is utilised in a manner that provides stability for its core services. The level of capital investment made to the Trust over the last three years is shown above.

Compliance with Prompt Payment Policy

The Trust's objective is to pay 95% of invoices within 30 days of receipt of an undisputed invoice. In 2019-20 it achieved 88.5% (2018-19: 90.9%). This decline in performance is primarily due to a continued increase in the usage and therefore volumes of medical and non-medical agency invoices. The total volume of bills paid by the Trust in 2019-20 increased by 13%. Staffing pressures in other key areas of invoice processing in the Trust also contributed to the prompt payment target being missed at times during the year in Pharmacy, Estates and Catering. These departments continue to keep this under review.

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

	2020 Number	2020 Value £000s	2019 Number	2019 Value £000s
Total bills paid	279,247	366,234	246,389	328,185
Total bills paid within 30 days of receipt of an undisputed invoice or under agreed payment terms	247,257	328,453	223,937	289,912
% of bills paid within 30 days of receipt of an undisputed invoice or under agreed payment terms	88.5%	89.7%	90.9%	88.3%
Total bills paid within 10 day target	204,093	270,981	192,021	250,170
% of bills paid within 10 day target	73.1%	74.0%	77.9%	76.2%

The Late Payment of Commercial Debts Regulations 2013

	£
Amount of compensation paid for payment(s) being late	67
Amount of interest paid for payment(s) being late	8,466
Total	8,533

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

From 1 April 2015 the scope of the prompt payment compliance measurement increased to take account of all categories of supplier payments made by Trusts, with the only exception being payments made to other organisations within the broader HSCNI.

During the current year, the Trust incurred charges of £8.5k in respect of late payment of commercial debt. This comprised payments of £8,431 to four suppliers and an administration fee of £67 levied by one supplier.

This charge is reflected in the Statement of Losses and Special payments in the Annual Report on pages 100-101.

Donations and Fundraising

Charitable donations help us to improve the quality of care we provide to our patients and clients across the Trust. During 2019-20, the Trust received donations, income and legacies totalling £349k. The donated income is received mainly from former patients, clients and their relatives in recognition of the Trust's work and used to support expenditure in the following areas:

- Patient/client/relative/visitor comfort and amenity;
- Staff education and training/skills enhancement; and
- Academic research and development.

As a direct result of donations and legacies received by the Trust, we have been able to make the following improvements during 2019-20:

- New portable scanner and handheld scanning device for the Renal Unit;
- Mobile virtual dementia tour training;
- Staff specialist training – including palliative care courses, pulmonary rehab and mental health training – this is staff education over and above that which would normally be provided;
- Enhanced counselling services for cancer patients;
- Diagnostic equipment for vertigo;
- Nuclear medicine scanning suite; and
- Patient and client experiences for World Elderly Day.

If you would like to make a donation to the Trust to help us continue to enhance the experiences of patients and clients in our care, please email us at

donations@southerntrust.hscni.net

Sustainability Report

Protecting the Environment

Sustainability Policy

This policy articulates how the Trust will strategically meet its obligations in respect of sustainability issues both now and in the future.



Environmental Benchmarking

The Southern Health & Social Care Trust achieved Silver status (between 70% - 80%) in the 2019 Northern Ireland Environmental Benchmarking Survey.

The Trust continues to promote the achievement of “Single Planet Living” in all Trust activities and across its wider sphere of influence. The concept of “Single Planet Living” is based on the principle of everyone living within their available environmental resources i.e. living a sustainable lifestyle.

WASTE

Waste Management

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

The Southern Trust in 2019-20 generated 1,692 tonnes of domestic waste and 863 tonnes of clinical waste.

General waste

The Trust achieved a recycling rate of 6.31% of cardboard (106.78 tonnes) and 12.08% of Mixed Dry Recyclables (204.39 tonnes) - overall, a recycling rate of 18.39% (311.17 tonnes).

30% (414.17 tonnes) of the domestic waste is recycled. Therefore, overall the Trust recycled 43% (725.34 tonnes) of general waste. The remaining 57% (966.40 tonnes)

of domestic waste is recovered going as a Refuse Derived Fuel (RDF) to cement kilns or to provide energy from waste plants.

Southern Trust performance in relation to general waste for the last two years is as follows:

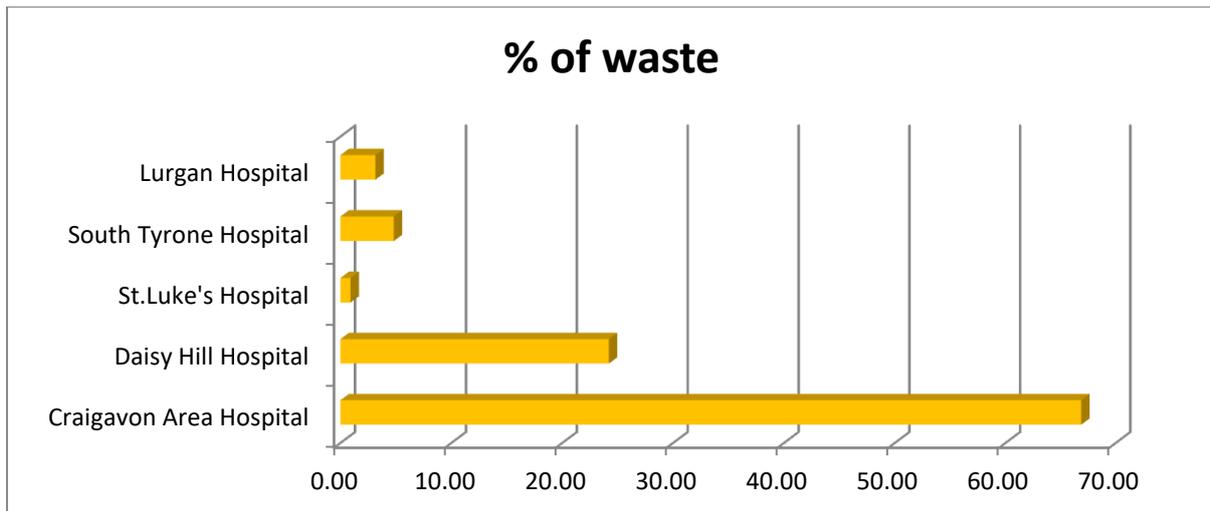
Waste	2018-19	2019-20	Variation (%)
Cardboard (tonnes)	101.26	106.78	5.45%
Domestic waste (tonnes)	1,460.95	1,380.57	-5.50%
Recycling (tonnes)	183.55	204.39	11.35%
TOTAL	1,745.76	1,691.74	-3.09%

Clinical waste

The clinical waste is autoclaved by an external contractor and where possible sent for refuse derived fuel, when this is not possible it is sent to landfill. The hazardous clinical waste is sent to Leeds for high temperature incineration.

Southern Trust performance in relation to clinical waste for the last two years is as follows:

Waste (tonnes)	2018-19	2019-20	Variation (%)
Craigavon Area Hospital	565.96	577.5	2.04
Daisy Hill Hospital	204.3	209.1	2.35
St. Luke's Hospital	7.87	7.9	0.38
South Tyrone Hospital	37.92	41.5	9.44
Lurgan Hospital	28.61	27.4	-4.23
TOTAL	844.66	863.4	2.22



Other waste types

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

ENERGY

Energy Efficiency & Management

HSRS manage the Trust's utility contracts including electricity, natural gas and water. In 2019-20, the Trust secured additional staff resources to improve sustainability and reduce costs.

Work is also progressing on management of utilities particularly energy consumption with regard to improved metering, optimising use of the Combined Heat and Power, (CHP), Plants, identifying and implementing energy reduction schemes such as energy efficient lighting, improving the thermal insulation of our buildings and services, and conversion of oil fired boilers to natural gas fired boilers. A review of the energy purchasing contract has been undertaken and measures put in place to optimise its use and reduce costs.

Utilities

Utility costs are significant and generally rise year-on-year.

In 2019-20, the SHSCT carried out an energy efficiency review of the Trust to establish opportunities to reduce our consumption. Several areas were identified and investment obtained to improve below:

Improved Insulation

Poorly insulated Loft, Glazing & Pipework can be a major cause of energy wastage. The Trust plan to improve loft insulation, which could see a significant saving on energy required to heat buildings.

Building Controls (BMS Metering)

A Building Management System (BMS) controls the heating and ventilation. In large facilities, often there is significant energy wastage as areas of the building can be heated when not occupied or heated much more than they are required to be. With a modern BMS we will be able to programme it to reduce wastage so only occupied areas are heated to comfortable temperatures. Intelligent algorithms also learn how long the building takes to heat up and cool down, so the heating on and off times can be optimised depending on outside air temperature.

Oil to Gas Conversion

The conversion from heating oil to natural gas brings a number of benefits by using a fuel with less impact on the environment in tonnes of CO2 and the new gas boiler is 95% efficient in contrast to 80% efficiency of 15-year-old oil boiler increasing the efficiency of heat delivery for the Trust.

LED Lighting

At the present time, lighting within the main wards in DHH (female surgical/gynaecology, male surgical, male medical, coronary care etc.) together with corridor areas at DHH are provided via strip fluorescent. These wards are accommodated across a number of floors and also incorporate a lobby area. The introduction of LED light fittings in these areas will see a significant reduction in energy consumption as well as an improvement in lighting levels.

Summary of Investment:

Scheme Category	Scheme Type	Cost (£)	Projected Annual Saving Year 1 (£)
Insulation	Loft, Glazing & Pipework	56,700	20,807
Building Controls	BMS Metering	371,000	122,393
Oil to Gas	Oil to Gas	475,000	203,870
LED lighting	Exterior & Interior Lighting	281,000	115,290
Renewables	Solar PV	18,000	4,500
	Total	1,201,700	466,860

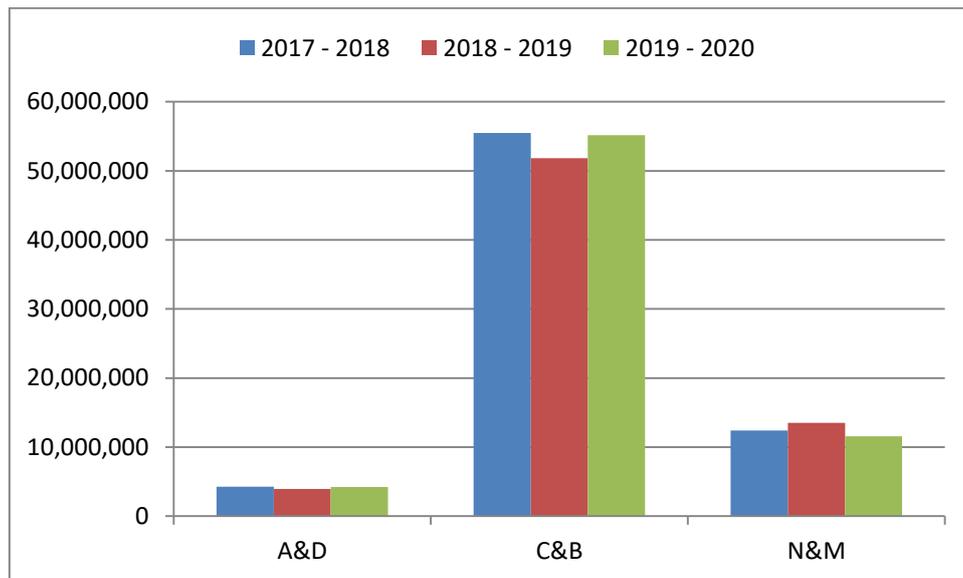
Energy Performance (Natural Gas & Electricity)

The 2019-20, natural gas has shown an overall increase of 1.6 million units consumed when compared to 2018-19; this can largely be attributed to the continued move from oil consumption to natural gas. Electricity consumption has shown a slight reduction in 2019/20, however with the added expense of consuming grid electricity versus onsite CHP generated, together with a challenging electricity market has created an increase in cost.

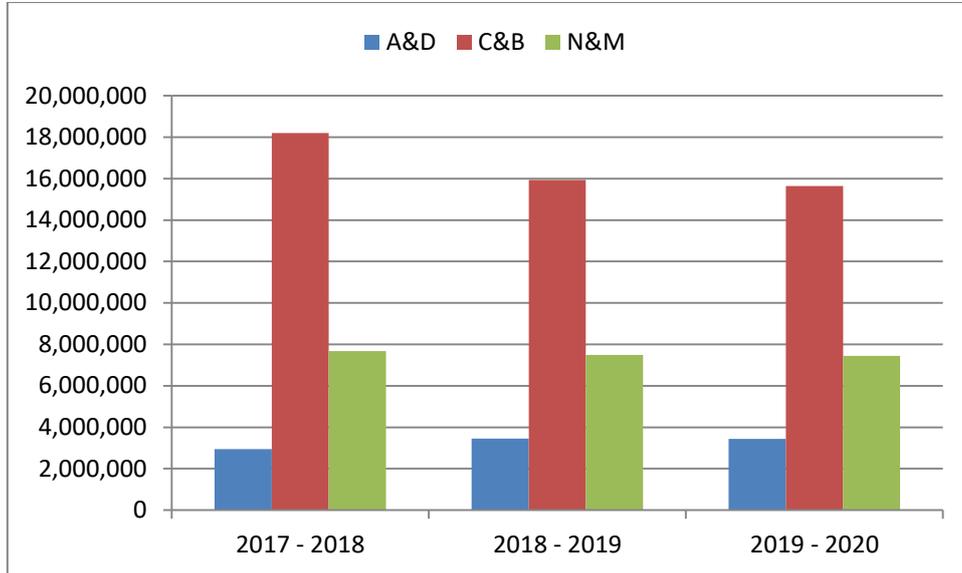
In 2020-21, the Trust will aim to continue to move towards using natural gas, implementing LED projects, oil to gas conversions together with emphasis placed on the price setting group to gain best market value for the Trust in both electricity and gas.

The Trust's Main Energy Consumption by Sector

Total Natural Gas (kWh) by Sector:

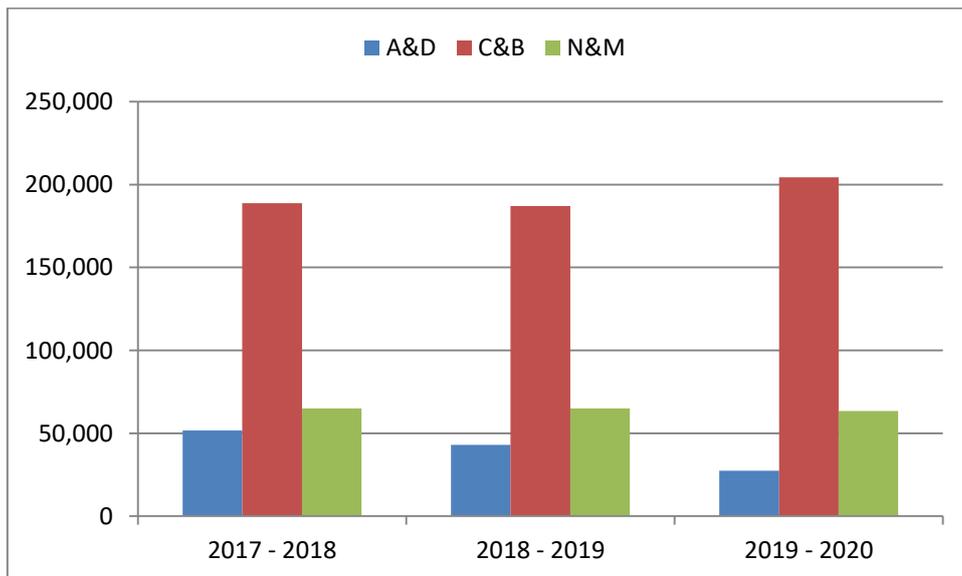


Total Electricity (kWh) by Sector:



The Trust's Water Consumption by Sector

Total Consumption m3 by Sector:



Looking Ahead

In 2019-20, the Trust secured additional staffing resources to improve sustainability and to reduce our energy expenditure.

Work has started on a roll out programme to encourage an increase in recycling throughout the Trust. The success of this programme will be measured by undertaking a review of our expenditure trends. We are developing a new waste strategy, the aim of which will be to improve all aspects of waste management.

Work is also progressing on the management of utilities particularly energy consumption with regard to improved metering, optimising use of the Combined Heat and Power Plants, identifying and implementing energy reduction schemes such as energy efficient lighting, improving the thermal insulation of our buildings and services.

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

- Performance overview
- Performance analysis



Signed:

Shane Devlin
Accounting Officer

Date: 30 June 2020

2

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 Governance Report, the Remuneration and Staff Report and the Accountability and Audit Report.

The purpose of the Governance Report is to explain the composition and organisation of the Southern HSC Trust's governance structures and how these support the achievement of the Trust's objectives.

The Remuneration and Staff Report sets out the Southern HSC Trust's remuneration policy for directors, reports on how that policy has been implemented and sets out the amounts awarded to directors. In addition, the report provides details on overall staff numbers, composition and associated costs.

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

Governance Report Directors' Report

The Board of Directors during the year was as follows:



Roberta Brownlee, MBE

Chair

Tel: 028 3756 0142

Roberta.Brownlee@southerntrust.hscni.net

Executive Directors



Shane Devlin

Chief Executive

Tel: 028 3756 0143

Shane.Devlin@southerntrust.hscni.net



Helen O'Neill

Director of Finance, Procurement and Estates

Tel: 028 3756 0131

Helen.ONeill@southerntrust.hscni.net



Paul Morgan

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

Tel: 028 3839 8347

Paul.Morgan@southerntrust.hscni.net



Dr Maria O'Kane

Medical Director

Tel: 028 3756 0117

Maria.OKane@southerntrust.hscni.net



Heather Trouton

Executive Director of Nursing, Midwifery and AHPs
(appointed November 2019)

Tel: 028 3756 1324

Heather.Trouton@southerntrust.hscni.net

Directors



Aldrina Magwood

Director of Performance and Reform

Tel: 028 3756 0123

Aldrina.Magwood@southerntrust.hscni.net



Vivienne Toal

Director of Human Resources and Organisational Development

Tel: 028 3756 0125

Vivienne.Toal@southerntrust.hscni.net



Esther Gishkori

Director of Acute Services



Melanie McClements

Director of Older People & Primary Care Services
(September 2018 – June 2019)

Interim Director of Acute Services
(June 2019 – Present)

Tel: 028 3756 1335
Melanie.mcclements@southerntrust.hscni.net



Brian Beattie

Interim Director of Older People & Primary Care Services
(June 2019 - Present)

Tel: 028 3756 0115
Brian.beattie@southerntrust.hscni.net



Barney McNeany

Director of Mental Health & Disability Services

Tel: 028 3883 3222
Barney.McNeany@southerntrust.hscni.net

Non-Executive Directors



Siobhan Rooney

(Chair of Endowments and Gifts Committee)
(Chair of Performance Committee)



Hilary McCartan

(Chair of Audit Committee)



Eileen Mullan, MBE

(Chair of Governance Committee)



John Wilkinson, OBE

(Chair of the Patient & Client Experience Committee)



Geraldine Donaghy

(Chair of the Excellence Awards Committee)



Martin McDonald, MBE



Pauline Leeson, CBE

A declaration of Board members' interests has been completed and is available on request from the Chief Executive's Office, Trust Headquarters, College of Nursing, Craigavon Area Hospital, 68 Lurgan Road, Portadown, BT63 5QQ. Telephone 028 3756 0119.

Audit

The Chief Executive and Directors of the Trust have responsibility for the preparation of the annual report and accounts. The accounts and supporting notes relating to the Trust's activities for the year ended 31 March 2020 have been prepared in a form determined by the Department of Health based on guidance from the Department of Finance and Personnel's Financial Reporting Manual (FReM). They have been audited by the Northern Ireland Audit Office who appointed Grant Thornton to carry out the detailed audit work to support the report of the Comptroller and Auditor General which is included on pages 103 to 104.

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 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 Trust's auditor is unaware.

The notional cost of the audit of the accounts for the year ended 31 March 2020 which pertained solely to the audit of the Public Funds accounts is £42,500. The notional cost of the audit of the Charitable Trust Funds accounts is £5,000. This is reflected within miscellaneous expenditure within note 3 to the accounts. No other audit or non-audit services were provided to the Trust in 2019-20.

Information Governance

The Trust works with the Information Commissioners Office (ICO) to resolve any complaints received by them into how the Trust handles data. In 2019-20 there were six data breach incidents reported to the ICO.

STATEMENT OF ACCOUNTING OFFICER RESPONSIBILITIES

Under the Health and Personal Social Services (Northern Ireland) Order 1972 (as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003), the Department of Health has directed the Southern Health and Social Care Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and must provide a true and fair view of the state of affairs of the Southern Health and Social Care Trust, of its income and expenditure, changes in taxpayers equity and cash flows for the financial year.

In preparing the financial statements the Accounting Officer is required to comply with the requirements of Government Financial Reporting Manual (FRoM) and in particular to :

- Observe the Accounts Direction issued by the Department of Health including 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 FRoM have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Southern Health and Social Care Trust will continue in operation;
- Keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Southern Health and Social Care Trust; and
- Pursue and demonstrate value for money in the services the Southern Health and Social Care Trust provides and in its use of public assets and the resources it controls.

The Permanent Secretary of the Department of Health as Principal Accounting Officer for Health and Social Care Resources in Northern Ireland has designated Mr Shane Devlin of Southern HSC Trust as the Accounting Officer for the Southern HSC Trust. The responsibilities of an Accounting Officer, including responsibility for the regularity and propriety of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Southern HSC Trust's assets, are set out in the formal letter of appointment of the Accounting Officer issued by the Department of Health.

Non-Executive Directors' Report



***Mrs Roberta Brownlee, MBE
Chair***

As Non-Executive Directors, our role is to provide support and independent challenge in the oversight of sound financial management and corporate governance of the Trust.

The Non-Executive Director membership of the Trust Board remained stable throughout 2019-20. Three Non-Executive Directors commenced their second term to February 2024 and one will complete their second term in August 2020. In addition, with effect from 7 March 2020, my position as Chair/lead Non-Executive Director has been extended for a further six month period until September 2020.

Trust Board

The Trust Board held seven formal Board meetings in public in 2019-20. The focus this year continued to be on strategic, operational and performance items affecting the whole Trust.

In addition, four Board workshops were held focusing on the strategic direction of the Trust, accountability and culture. We also took part in a facilitated Board Development day aimed at embedding an open culture within the organisation.

Committees

The Trust Board established a new Performance Committee this year so we now have 6 sub-committees, all chaired by a Non-Executive Director:

- Audit Committee;
- Governance Committee;
- Endowments & Gifts Committee;
- Remuneration Committee;
- Patient & Client Experience Committee; and
- Performance Committee.

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. They also meet with the Chief Executive and I to provide feedback after each committee meeting.

Enormous thanks are due to our Committee Chairs.

We had a change of membership of the Patient & Client Experience Committee this year, with Mrs Pauline Leeson standing down. We are grateful to Pauline for her valuable contribution to the work of this committee.

Full information on membership and roles of Trust Board committees can be found in the Governance Statement.

Looking Ahead

Looking to the future, my challenge for the Board is to ensure we work strategically together to move the Trust forward whilst also providing clear leadership as we progress through the current COVID-19 pandemic.

I will continue to work with my fellow Non-Executive board members to provide effective support, challenge and guidance, to assist the Trust as it further works to improve health and wellbeing outcomes for people living across the Southern area.



Roberta Brownlee, MBE

Chair

Southern HSC Trust - Governance Statement for the Year ended 31 March 2020

1. Introduction/Scope of Responsibility

The Board of the Southern HSC Trust (the Trust) is accountable for internal control. As Accounting Officer and Chief Executive of the Trust, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am responsible in accordance with the responsibilities assigned to me by the Department of Health (DoH).

In delivering these responsibilities, I am accountable for the Trust's performance to the Health and Social Care Board (HSCB) and DoH and report through agreed performance management arrangements and Service and Budget Agreements.

This has entailed regular performance management meetings at a senior level with the HSCB and both scheduled and ad hoc meetings between Trust officers and the Performance Management Service Improvement Directorate within the HSCB.

In order to improve the quality, safety, effectiveness and efficiency of services, the Trust works in partnership with the HSCB, Public Health Authority (PHA), other public sector partners and the independent sector. A range of processes are in place to facilitate and enable this partnership working, with examples including:

- meetings with Trust, HSCB, Local Commissioning Group (LCG) and PHA senior teams collectively and on issue specific basis;
- monthly meetings between Trust and HSCB Chief Executives;
- regional and local Transformation Programme Boards to work together to implement aims of Programme for Government and HSC Ministerial vision;
- engagement with local GPs through locality forums and senior Trust attendance at Local Medical Committee (LMC) services development committee;
- regular meetings with Independent Health and Care Providers (IHCP) and other independent sector providers about key interface issues;
- forums such as the regional children's service planning project board that include HSC partners, community/voluntary sector and other statutory agencies such as Education;
- promoting health and wellbeing processes involving a range of partners focussed on ensuring effective collaboration to address the specific and individual needs of local communities; and
- Senior Leadership and partnership working with councils in support of local Community Plans.

With respect to the Trust's inter-relationship with the DoH, the framework within which the Trust is required to operate is defined and agreed in the Management

Statement (MS) and Financial Memorandum (FM). This model MS/FM for executive Non-Departmental Public Bodies (NDPBs) is intended to provide departments with a document that sets out a clear framework of strategic control for each of their executive NDPBs. The framework covers the operations, financing, accountability and control of the NDPB and the conditions under which any government funds are provided to the body.

2. Compliance with Corporate Governance Best Practice

The Trust applies the principles of good practice in Corporate Governance and throughout 2019-20 has continued to further strengthen its' corporate governance arrangements. The Trust does this by undertaking continuous assessment of its compliance with Corporate Governance best practice by having in place various measures which include the following:

Standing Orders, Scheme of Delegation and Standing Financial Instructions

The Standing Orders, Scheme of Delegation and Standing Financial Instructions are the 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. Amendments during the year included delegation of powers to a new Performance Committee and powers delegated to a specific post.

Register of interests

A Register of Interests for Board members and staff is in place and updated annually and where relevant, throughout the year.

Self-Assessment

In line with good governance best practice, the Board will complete the Department of Health Board Governance Self-Assessment Tool in respect of the 2019-20 financial year and present for formal approval at the Trust Board meeting in August 2020. This tool supports the Board in assuring its governance arrangements and the identification of any developmental needs. Actions arising from the 2018-19 self-assessment have all been completed.

Governance Framework

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:

- Management Statement and Financial Memorandum;

- Standing orders including powers reserved to the Board and powers delegated to its Committees and standing financial instructions (as referred to above);
- An Audit Committee;
- A Governance Committee;
- An Endowments and Gifts Committee;
- A Remuneration Committee;
- A Patient and Client Experience Committee; and
- A Performance Committee.

The Trust adopts an integrated approach to governance and risk management and has an Integrated Governance Framework in place which covers all domains of governance associated with the delivery of health and social care services.

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

The Trust Board

The Trust Board comprises a Non-Executive Chair, seven Non-Executive Directors, a Chief Executive and four Executive members. Five members of the Senior Management Team also attend Trust Board meetings. The Executive Director of Nursing, Midwifery and Allied Health Professionals post was permanently recruited to in November 2019. With effect from 7 March 2020, the Chair's position was extended for a maximum six-month period. Three Non-Executive Directors commenced their second term to February 2024 and one Non-Executive Director will complete her second term in August 2020.

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.

During 2019-20, the Board continued to focus both strategically and in assuring itself of the performance of the whole of the Trust. The Board agenda is kept under regular review.

Training sessions at Board workshops are arranged as necessary to enhance Board members' knowledge and skills. During the year, members received training on their roles and responsibilities as Trustees of Charitable Trust Funds.

Four Board workshops were held during the year focusing on the Board roles of strategy, accountability and culture. Resulting from this, a new set of Board

behaviours was created. A facilitated Board Development Day, held on 14 November 2019, further expanded on an introductory session held with the Board in August 2019 on embedding an open culture within the organisation. Time was also spent at the Board Development Day exploring the strategic direction of the Trust.

The Chair completed the annual appraisals of Non-Executive Board Members and submitted the results to the Department of Health in October 2019. The Chair also met with individual Directors during the year to discuss their performance and contribution as a Board member.

In the 2019-20 year, the Trust Board held seven formal Board meetings and, in accordance with Standing Orders, were quorate for each meeting. The table below details members' attendance.

Name of Board member	Attendance
Non-Executive	
Mrs R Brownlee, Chair	7/7
Ms G Donaghy	7/7
Mrs P Leeson	6/7
Mrs H McCartan*	5/7
Mr M McDonald	6/7
Ms E Mullan	6/7
Mrs S Rooney	5/7
Mr J Wilkinson	6/7
Executive Director (Voting)	
Mr S Devlin, Chief Executive	6/7
Mr P Morgan, (Social Work)	5/7
Dr M O'Kane, (Medical)	6/7
Ms H O'Neill, (Finance)	6/7
Mrs H Trouton, (Nursing, Midwifery and AHPs) (appointed 20 th November 2019)	6/7
Director (Non-Voting)	
Mr B Beattie, (Interim Older People and Primary Care Services) (commenced June 2019)	4/5
Mrs E Gishkori, (Acute Services)	1/7
Mrs A Magwood, (Performance and Reform)	5/7
Mr B McNeany, (Mental Health and Disability Services)	6/7
Mrs M McClements, (Older People and Primary Care Services / Interim Director of Acute Services)	5/7
Mrs V Toal, (Human Resources and Organisational Development)	6/7

* reduced attendance due to planned surgery

Committee structure

All Trust Board Committees are chaired by a Non-Executive Director and have clear terms of reference and lines of reporting and accountability which are reviewed and

agreed by the Trust Board on an annual basis. These Committees review, scrutinise and challenge the information they receive in order to assure the Board that Trust processes are delivering outcomes to the required standards. Minutes of the Sub 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. In addition, after each Committee meeting, the Committee Chairs meet with the Trust Chair and Chief Executive to provide feedback. Attendance records of each Committee are maintained and included in the each Committee's annual report to Trust Board.

The functions of each Committee are outlined below.

Audit Committee

The Audit Committee supports the Trust Board and my role as Accounting Officer with regard to our responsibilities for issues of risk, internal control and governance and provides associated assurance through a process of constructive challenge. The Audit Committee operates in accordance with the Audit Risk and Assurance Committee Handbook (NI) 2018.

The Committee comprises 5 Non-Executive Directors (including the Chair) and during 2019-20, held five meetings with 88% attendance.

In carrying out its work, the Committee used the findings of Internal Audit, External Audit, assurance functions, financial reporting and Value for Money activities. It approved the 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 2019-20, with Directors attending as required. Fraud is a standing item on the Committee's agenda and there is on-going reporting to the Committee in respect of compliance with Departmental directions/circulars.

Also on an annual basis, the Committee reviews the findings of the External Auditor concerning the Trust's Annual Accounts, including the Governance Statement.

The Chair of the Audit Committee provides the Board with an Annual Report on the work of the Audit Committee. The Audit Committee completed the 2018-19 National Audit Office self-assessment checklist in June 2019 and the results demonstrated that the Audit Committee is operating effectively and complying with Audit Committee best practice. One action identified was in relation to regular meetings between ALBs Audit Committee Chairs and the Departmental Audit and Risk Assurance Committee Chair. This was addressed during the year with the attendance of the Audit Committee Chair at the Department's Audit and Risk Assurance Committee meeting on 18th December 2019.

Governance Committee

The Governance Committee is the committee responsible for providing assurance to the Board on all aspects of the governance agenda across the Trust (except internal financial control). The Committee comprises all Non-Executive Directors who are independent of Trust management. The Chief Executive, members of the Senior Management Team, the Director of Pharmacy and the Assistant Director of Clinical and Social Care Governance are in attendance at all meetings.

The Committee has an active role in providing assurance to the Board on the management of risk across the Trust and scrutinised the Corporate Risk Register at each meeting. This included an 'in-depth' review of one corporate risk at each meeting providing direction and challenge. Progress updates on areas highlighted through the risk management process such as Cyber Security were provided.

During the year, the Committee approved an Interim Risk Management Strategy for 2019-2022. Within the context of this Strategy, the Governance Committee received assurances from Directors that risks are being effectively managed.

During 2019-20, the Governance Committee met on four occasions with 71% attendance.

The Chair of the Governance Committee provides the Trust 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 I confirm that there were no issues raised.

Endowments and Gifts Committee

The Endowments and Gifts Committee is the committee 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 Endowments and Gifts Committee comprises three Non-Executive Directors, the Director of Acute Services and the Director of Human Resources and Organisational Development. The Director of Finance is in attendance.

During 2019-20, the Committee held four meetings with 75% attendance. At each meeting, the Committee monitored the use and rationalisation of funds and sought assurance that funds were not unduly or unnecessarily accumulated. To that end, the Committee has been proactive during 2019-20 in seeking to promote Trust funds across the Trust and ensuring donors' wishes are being upheld. The Committee advised on and approved expenditure requests from Fund Managers in accordance with its Terms of Reference and the ongoing objectives for the use of these funds.

The Chair of the Endowments and Gifts Committee provides the Trust 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.

Remuneration Committee

The Remuneration Committee makes recommendations to the Trust Board on all aspects of remuneration and terms and conditions of employment of the Chief Executive and other senior executives.

The committee comprises the Trust Chair and two Non-Executive Directors, who are independent of Trust management. The Director of Human Resources and Organisational Development is in attendance.

The Committee held 4 meetings during 2019-20 with 92% attendance.

Patient and Client Experience Committee

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

Membership comprises 3 Non-Executive Directors (including the Chair) and 4 members of the PPI Panel. Mrs P Leeson, Non-Executive Director, stood down from the Committee on 1st September 2019. During 2019-20, the Committee held four meetings with 76% attendance.

The Chair of the Patient and Client Committee addressed the issue of low attendance and attendance has improved as demonstrated above.

Performance Committee

The Performance Committee is responsible for overseeing the delivery of planned results by monitoring performance against objectives and ensuring corrective actions are taken when necessary within agreed timelines.

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

During 2019-20, the Committee held two meetings with 75% attendance.

3. Business Planning and Risk Management

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.

Economic conditions are such that they place strict funding restrictions on the Trust and the demand for services is increasing at a time when the local population is also growing at a faster rate than the rest of Northern Ireland. A requirement to review priorities and ways of working in order to make best use of our available resources is now a constant feature of service delivery and brings significant new challenges to corporate governance and risk management.

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

The Trusts' **4 Year Corporate Plan 'Improving Together'**, approved by the DOH aims to ensure clarity about the strategic direction for services delivered by the Trust during 2017-18 – 2020-21. It sets out the actions the Trust will take in support of each of the corporate objectives to ensure that our local communities know what to expect from us, that all of our staff are aware of their role in delivering on these priorities and that we can demonstrate improvements and progress by the end of the plan.

The plan sets out the Trust's *vision* to deliver 'Quality Care – For you, with you' which is a statement that reaffirms the Trust commitment to build on our solid foundation of working with our service users and staff to improve health and social care delivery. This vision is also underpinned by the Trust's *values* which shape what we do and how we do it. The Trust values can be abbreviated to the Southern Trust 'Cares' - *Compassion, Accountable, Respect, Effective and Safe*.

The Strategic Plan is supported on an annual basis by the Trust's Delivery Plan.

The **Trust Delivery Plan (TDP)** represents the Trust's annual response to Regional and Local Commissioning Plans and to the specific targets signalled in the Minister's Commissioning Plan Direction. The TDP identifies how the Trust will seek to deliver on each of the key commissioning and ministerial priorities for the incoming year. It also sets out how the Trust will utilise its resources including its financial strategy, workforce strategy, capital investment plans, governance strategy and plans to promote wellbeing, personal and public involvement (PPI) and the patient experience.

The targets within the Commissioning Plan are allocated to Directorates. It is the responsibility of Directors to make their team aware of the targets relevant to their area of work and to ensure that issues which may impact upon their successful

delivery are highlighted at Divisional and Directorate Team meetings or staff supervision throughout the year.

The TDP is brought to SMT and Trust Board for approval prior to submission to HSCB. The HSCB approves the TDP.

The Trusts performance management framework was reviewed in 2019-20 and defines arrangements for monitoring and review of performance at operational and corporate level. A new Performance Committee was established with delegated responsibility for performance management and meets quarterly. Formal reporting is in place on commissioning plan objectives and goals for improvement at Executive and Board level on a monthly basis. During 2019-20, the Trust also agreed 'Performance Improvement Trajectories' as part of the HSC revised performance management framework. The trajectories aim to take account of relevant organisational context at a practical level in terms of workforce, finance and/or other operational factors anticipated to impact on the Trust's performance against its Service and Budget Agreement (SBA), access and performance targets. These are monitored and reported monthly at Executive and Board level.

Directorate Management Action/Work Plans are developed annually on the basis of the Corporate Plan and TDP. These plans summarise the key deliverables falling under each objective. In an effort to a move towards Outcomes Based Accountability (OBA), as set out in the Programme for Government, Trust Directorates made initial attempts to re-frame their year one action plans in line with the outcomes set in the 4 year strategic plan together with detailing the actions and timeframes for achievement. Progress updates are generally carried out on a quarterly basis for Directorate level review with escalation as required at quarterly Directorate Accountability meetings with the Chief Executive. Annual progress reports are reviewed by Trust Board.

It is essential that linkages between plans at Corporate and Directorate level are clearly stated and there must be a clear understanding and connection at all levels between objectives and associated risks. This is evidenced through the business planning and risk management processes in the Trust.

Risk Management

Risk management is an organisation-wide responsibility. Governance structures highlight the responsibility for the management of risk lies within operational directorates and their corresponding governance arrangements, with the corporate overview role being the Medical Director, as the Executive Director with delegated responsibility for risk management. During the year, an Interim Risk Management Strategy for 2019-2022 was developed. This will ensure that the Trust manages all risks using a systematic and consistent approach. Risk Registers are developed at Department, Directorate, and Corporate levels, to record all forms of risk including clinical, financial and operational risks.

Handling and managing risk is a combined 'top down' and 'bottom up' approach. The Corporate Risk Register works 'bottom up' and the Senior Management Team act as the filter for risk issues from Directorate Risk Registers for entry of the most significant risks onto the Corporate Risk Register. The Board Assurance Framework is owned by the Board and works 'top down' from the Trust's strategic objectives determining proactively the high level risks that could affect achievement of those objectives and the range and effectiveness of existing assurance reporting. Examples of indicators which may identify risks within the organisation include internal assessments/reporting such as self-assessments, monitoring reports, controls assurance processes, internal audit reports, complaints, incidents, litigation, staff turnover etc. In addition reports from external bodies e.g. RQIA, Accreditation bodies, independent reviews also inform risk. Risks must be graded in accordance with the risk matrix and entered on the appropriate risk register.

Directors are responsible for managing risks within their Directorate, managing Directorate Risk Registers and escalating risk to the corporate risk register in line with the Trust Risk Strategy. One of the risks that the Trust had been managing with DOH during 2019-20 had been the potential impact of a 'no-deal' outcome from UK-EU negotiations on its services, this planning has now evolved to consider implications of future UK-EU relations at the end of the 'transition period' on 1st January 2021.

Also as a result of the global COVID-19 pandemic the Trust has undertaken significant work to re-profile our services to ensure our services remain safe and effective. The Trust has initiated a wide range of contingency and business continuity arrangements that consider both risks relating to the impact of COVID-19 in terms of the virus impact for service users and staff and also the impact of the changes to service delivery. The corporate risk register maintains an overview of these risks with each Directorate holding specific items relating to the service areas. These arrangements will continue to undergo regular review both by SMT and Trust Board to provide an assurance on their validity during 2020-21 and beyond.

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. The Trust engaged an external provider in 2019-20 to deliver training on Risk Management and is working on building capacity to cascade internal training during 2020-21.

There is a structured process in place for incident reporting, analysis and the investigation of serious incidents. The Trust is focusing on strengthening risk management, including adverse incident reporting, complaints handling and is seeking to learn from good and poor practice. An organisational 'Learning from

Experience' forum has been established which concentrates on sharing outcomes and learning across the organisation. The Trust continues to develop and review this forum to ensure robust sharing of learning and service improvement using quality improvement methodology.

An internal audit review of risk management in 2019-20 provided a 'satisfactory assurance' level.

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. Arrangements in place to manage this risk include:

- A Trust Information Governance Framework which includes policies and a suite of procedures and guidance;
- A Personal Data Guardian (Medical Director and Executive Director of Social Work) to approve data sharing;
- A Senior Information Risk Owner (SIRO) (Director of Performance and Reform) with overall responsibility for managing information risk across the Trust and is the owner of the Information Asset Register;
- Information Governance Framework: Report on use of personal data forwarded to SIRO and Trust Board annually;
- Freedom of Information and Data Protection Requests summary of compliance reported to Trust Board on a quarterly basis;
- Designated Information Asset Owners (IAOs) are in place across the Trust to reduce the risk to personal information within the Trust and training and advice is provided to ensure they are aware of their responsibilities;
- An information sharing register is in place which records the details of all episodes of sharing of Trust data with other bodies; and
- Privacy Impact Assessment templates have been disseminated to ensure privacy issues are considered prior to implementation of projects.

In addition, the Trust is taking appropriate steps to continue to ensure compliance with the implementation of the General Data Protection Regulations (GDPR) which came into effect in May 2018. The Information Governance Department participates in the work of the regional Information Governance Network which continues to develop standardised documents and processes to comply with GDPR requirements which are then shared with the Regional Information Governance Advisory Group, chaired by DoH, for approval. Privacy Notices have been reviewed and published and these provide details of the processing of personal data by the Trust. Liaison with the Information Commissioner Office (ICO) continues as guidance on GDPR implementation is released.

The Trust's Information Governance Department continues to work with all staff groups to ensure changes in legislation appropriate to their service areas are implemented e.g. Data Sharing Agreements or Contractual Clauses. Data Protection Impact Assessments have also been implemented in the Trust.

As at 31st December 2019, 82% of Trust staff were trained in Information Governance (an increase from 74% in May 2018). This is closely monitored and reminders are sent to Line Managers on a regular basis to encourage uptake of this mandatory training.

Information Governance incidents are reported in accordance with the HSC Risk Management strategy. Internally, information governance incidents are monitored and reviewed at the Information Governance Committee. Where lessons are learned from individual incidents, Heads of Service are responsible for disseminating these within their area. Where there are trends of incidents the lessons learned from these are disseminated throughout the Trust by the SIRO. The Trusts 'SIRO Says' campaign continues in 2019-20 delivering targeted Information Governance themed messages to Trust staff throughout the year. The Trust is also committed to ensuring the security of information held in electronic form in accordance with its ICT security Policy. The Trust is aware of the international risk of Cyber Security. The Corporate Risk Register includes a high level Cyber Security risk which was added to the register in 2017/18.

6. Fraud

The Trust takes a zero tolerance approach to fraud in order to protect and support our key public services. We have put in place an Anti-Fraud Policy and Fraud 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. Our 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 reporting arrangements. Awareness training is delivered, targeted at staff with line management and delegated financial authority responsibilities, in support of the Anti-Fraud Policy and Fraud Response Plan, which are kept under review and updated as appropriate or every 2 years.

In 2019-20, there have been 19 cases of suspected fraud reported by the Trust. All identified actual, suspected and potential frauds are reported to the Audit Committee as a standing agenda item. 42% of the 2019-20 reported cases involve staff pay and allowances claims. 3 new cases are under investigation by the PSNI. There have been 3 cases identified of fraudulent timesheets being submitted by agency workers. These are under investigation by CFS in order to consider appropriate action to be taken.

7 cases reported in previous years remain under investigation with the Trust and Counter Fraud, 3 of these are with the PSNI.

Work has continued in progressing the Fraud Risk Assessment conducted in 2017-18, Directorates have progressed action plans to assist them in strengthening the internal control environment across their teams in 2019-20.

7. Public Stakeholder Involvement

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

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

The Director of Older People and Primary Care Services is the lead Director for PPI and has responsibility for the development of the Trust's PPI strategy and application of practice across the Trust.

During 2019-20, the PPI Team in partnership with the Trust's Service User and Carer PPI Panel and relevant Trust staff contributed to a range of PPI initiatives such as:

Public & Personal Involvement (PPI) Training

During the period February to April 2019, a scoping exercise was undertaken by the Southern Trust's Public & Personal Involvement (PPI) Team. This exercise which engaged with a number of individuals/groups such as Service Users, Carers, Education Learning & Development, Quality Improvement, the Recovery College, Regional HSC PPI Leads, Public Health Agency and Patient Client Council identified the need for establishment of 'Service Users/Carers' induction training and progression routes together with a consistent approach to PPI training for all Trust staff.

Following the scoping exercise, a series of co-produced training programmes were developed in order to expand and utilise service users and/or carers' confidence/competency to become involved with the Trust. In addition, a 3- step Training Programme for Trust staff was also developed.

However, due to current COVID-19 pressures, the training scheduled to take place during February/March 2020 was postponed.

Service Users, Carers, Opportunity to Participate and Engage (SCOPE) Training

“SCOPE Training is an innovative, co-produced training programme which supports Service Users/Carers to become involved in the development and delivery of health and social care services”.

A Project Team comprising of Service Users/Carers (Southern and Belfast Trusts) together with staff from Southern, South Eastern and Belfast Trusts was facilitated via the Trust’s Quality Improvement Team. The Project Team have collectively developed the “SCOPE” Training resource which consists of an A5 induction booklet, promotional digital resource and recruitment flyer.

It is also envisaged that “SCOPE” Training will be further tailored to meet the needs of other interested Service Users/Carers Groups (i.e. Autism) who may wish to become involved at a strategic level. Furthermore, Service User and Carer trainers from the Trust’s PPI Panel and the Patient Client Council have also been identified to co-deliver across the Region.

The 3-step PPI Training Programme

A 3-step Training programme has been established to ensure consistency in training for all Trust staff. The content of the training has been aligned to the Regional Engage & Involve Overview module “Introduction to PPI and Co-production” and a training schedule has been implemented.

User Involvement Week

A series of recognition events across the Trust’s Directorates were held during November 2019 as part of the Public Health Agency’s ‘Involvefest’ to celebrate the success, skills and expertise of Service Users and Carers for their contribution to health and social care services.

Database

A database is currently being established in order to gain an oversight of all the respective user involvement and PPI activity taking place across the Trust.

It is envisaged that the database will collate, present and monitor activity and the impact of same.

The first stage of implementation is to identify all Service Users/Carers Groups in an effort to create a baseline of involvement within the Trust. It is envisaged that in the longer term, this database should be able to support PPI activity and the impact to be measured across the Trust in line with the regional Key Performance Indicators and monitoring standards.

Service User/Carer Consultants

In July 2019, funding was secured for the 2019-20 financial year for the establishment of a 'Bank' of Service User/Carer Consultants. This funding was to facilitate progression of ad-hoc work in order to support the implementation of the regional PPI standards and the delivery of specific Trust PPI and Co-production priorities.

The 'Bank' has been operational since autumn 2019. These roles supported the implementation of a range of PPI resources and projects to enable increased PPI activity within the Trust. As no additional funding was identified, the 'Bank' was stepped down at the end of March 2020.

Public & Personal Involvement (PPI) Panel

The Trust's PPI Panel (which has been operational for nearly 10 years) has been endeavouring to meet the respective Trust and Regional directives by continually modernising/streamlining the Panel in an effort to further enhance:-

- Training and skills
- Terms of Reference & Membership
- Pathway for Panel Involvement (Trust & Regionally)
- Recruitment of new members
- Celebration events

Further information on the Trust's involvement, patient client experience and quality improvement structures, processes and resources to support staff and service users and carers is available at

<https://southerntrust.hscni.net/involving-you/personal-and-public-involvement/>

8. 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 Framework has been compiled in conjunction with all Directorates and provides the systematic assurances required by the Board on the effectiveness of the system of internal control. It assists the Board to ensure that all identified strategic risks are focused on and that effective controls are in place thus providing assurance that a robust risk management system underpins the achievement of the Trust's corporate objectives and the delivery of high quality health and social care.

An in-depth review of the Board Assurance Framework was undertaken in April 2019 and as part of this review, an enhanced Board Assurance Framework was created which included more focus on the Trust’s strategic direction and the challenges. The revised framework was approved by the Board in June 2019.

The Board Assurance Framework sits alongside the Corporate Risk Register, the Controls Assurance Standards process 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 robust process the Trust put in place in 2018-19 for Controls Assurance continued during 2019-20. The Trust Controls Assurance Group met regularly and annual baseline assessments and evidence lists were completed within the agreed timescale. Any significant control divergences, together with an outline of action plans in place to address these divergences, are outlined in the Assurance Statements. Reporting of assurance will be to the Senior Management Team and the Governance Committee with the overall position reported to the Trust Board.

2019-20 baseline assessments have been completed for the following areas with 18 areas achieving a green rating and 4 achieved an amber rating compared to the previous year when 17 areas achieved a green rating and 5 an amber rating.

Standard	Overall RAG Rating	
	2019/20	2018/19
Emergency Planning	Green	Green
Environmental Cleanliness	Green	Green
Fleet & Transport Management	Green	Green
Environmental Management	Green	Green
Waste Management	Green	Green
Buildings, Land and Plant	Green	Amber
Fire Safety	Amber	Amber
Financial Management	Green	Green
Food Hygiene and Safety	Green	Green
Governance	Green	Green
Health and Safety	Green	Green
Human Resources	Green	Green
ICT	Green	Green
Infection Prevention and Control	Amber	Amber
Information Management	Green	Green
Non Pay Commissioning Cycle (Procurement)	Green	Green
Decontamination of Reusable Medical Devices	Green	Green
Medical Devices and Equipment Management	Amber	Amber
Medicines Management	Green	Green
Research Governance	Green	Green

Standard	Overall RAG Rating	
	2019/20	2018/19
Risk Management		
Security Management		

The Trust process requires that where gaps are identified in the baseline self-assessment, action plans are put in place to control and monitor areas of control divergence. Action plans are already in place for 2020-21 and progress will be monitored via various Fora within the Trust and reported to the Controls Assurance Group and SMT. An update on action plans will be sought in September 2020 to support the final sign off of the Mid-Year Assurance Statement.

The Trust Board agenda is structured to ensure assurance is provided on key areas such as patient safety and quality and performance in terms of finance, human resources and operational performance.

The quality of information presented to the Trust Board is regularly reviewed by members and the focus of a Board Workshop on 18 October 2018 was on effective Board reporting. A standard template is attached to the front of all Board papers ensuring that the report is aligned to specific corporate objectives and key issues/risks and decisions required are drawn to Board members' immediate attention. Board members regularly discuss and challenge the quality of the information presented to them and collectively reflect on information received. In addition, Trust Board receives reports from external organisations which provide assurance in relation to some areas of data quality. No significant issues have been raised.

Members continue to consider further how to develop the searching questions and processes to ensure effective challenge by the Board. The Executive professional roles (Medical, Nursing and Social Work) ensure executive challenge as these posts are designed to give independent professional assurance to the Trust Board.

9. COVID-19

The World Health Organisation (WHO) declared the outbreak of Coronavirus disease (COVID-19) a global pandemic on 11 March 2020, following which the Department of Health and its ALBs immediately enacted emergency response plans across the NI Health sector. There is a UK-wide coordinated approach guided by the scientific and medical advice from respective Chief Medical Officers and Chief Scientific Advisers informed by the emergent evidence nationally and internationally. Evidence-based UK-wide policies and guidelines continue to be carefully followed in conjunction with the PHA issuing local guidelines and ensuring readily accessible and continually updated advice. The pandemic has had extensive impact on the health of the

population, all health services and the way business is conducted across the public sector. Protecting the population, particularly the most vulnerable, ensuring that health and social care services were not overwhelmed, saving lives through mitigating the impact of the pandemic and patient and staff safety has remained at the forefront throughout health's emergency response. This has required a number of measures to urgently repurpose and temporarily reconfigure the provision of services, and to identify additional capacity including the need to ensure availability of appropriate Personal Protective Equipment. Within the Southern HSC Trust, a couple of these measures included the creation of a single point of non-elective emergency care entry on the Craigavon Hospital site, thus making Daisy Hill Hospital a dedicated medical care hub and the development of a virtual hospital model to support admission avoidance and support service users in their place of residence. Financial measures have been put in place by the NI Executive to enable NI to tackle the response to COVID-19 and Health has obtained essential financial support from this package of measures to assist in the ongoing fight against COVID-19.

Contingency arrangements have been in operation including the establishment of an Emergency Operations Centre within the Department to support HSC colleagues' frontline response to the pandemic. Given the wide ranging impact and the need to react immediately to changing healthcare needs, this has had an effect on the ability to conduct routine health business with a need to curtail non-urgent healthcare activity in order to re-direct resources to deal with the pandemic. There have been substantial resourcing impacts across the Department and ALBs to scale up the response to ensure adequate staff resourcing to meet increasing demands which included calling on volunteers, retired medical staff and medical students to rally together to strive to enable an optimum response to the pandemic.

Social distancing measures were implemented in line with The Health Protection (Coronavirus, Restrictions) (Northern Ireland) Regulations 2020 and the health sector played an important part in ensuring the NI population were aware of the need to adhere to the measures to reduce risk of transmission. The actions of the health sector throughout the continued response to the pandemic are based on the ongoing assessment of three key criteria: the most up-to-date scientific evidence; the ability of the health service to cope; and the wider impacts on our health, society and the economy. Across healthcare, leading on the testing of COVID-19 in NI has and continues to be a key priority with testing centres being set up across the country including mobile testing. The Department's Expert Advisory Group has overseen the strategic approach to testing in NI. The Minister of Health is a member of the Ministerial Testing Taskforce, chaired by the Secretary of State for Health, and so NI is fully engaged with the strategy for testing at a national level. NI testing capacity has also been increased through Health's facilitation of the UK Coronavirus National Testing Programme. Northern Ireland Contact Tracing Service began contact tracing all confirmed cases of COVID-19 on 18 May 2020. Volunteers have been recruited and redeployed across the health sector and the team is being scaled up to strive to

ensure that every conceivable effort is made to continue to limit transmission as lockdown measures across the region are eased. The Department has prepared a COVID-19 Test, Trace and Protect Strategy which sets out the public health approach to minimising COVID-19 transmission in the community in Northern Ireland. The Chief Medical Officer has established a Strategic Oversight Board for the NI COVID-19 strategy which will bring all of the key elements together – namely testing, contact tracing, information and advice, and support - working together with colleagues across the HSC to endeavour to maintain community transmission at a low level and respond to clusters of infection localised in NI. The early outcome is more favourable than the modelling of the reasonable worst case scenario and the Department and HSC are no longer in emergency response mode, some areas have been able to be stood down in recent times although there is a need to continue to remain vigilant and in a state of operational readiness to react should a resurgence occur.

Alongside the ongoing and changing needs of response to COVID-19 there is an urgent need to seek to rebuild wider healthcare services and confidence in the community. Officials have over recent weeks carried out an urgent project to assess the impact of COVID-19 on HSC services delivery. On 9 June 2020 a new Strategic Framework was launched aimed at rebuilding health and social care services. The key aim will be to incrementally increase HSC service capacity as quickly as possible across all programmes of care, within the prevailing COVID-19 conditions. A new Management Board for Rebuilding HSC Services has also been created. This will broadly consist of senior Department of Health officials, Trust Chief Executives and other HSC leaders. COVID-19 has had a profound impact on the delivery of health and social care services and across the HSC plans are incrementally being enacted to begin recovery whilst planning for a potential second wave. The Department is continuing to work closely across the HSC to support and define the requirements and opportunities to meet continuing and rapidly changing pressures in these unprecedented and challenging times.

10. Sources of Independent Assurance

The Trust obtains Independent Assurance from the following sources:

- ***Internal Audit;***
- ***Regulation and Quality Improvement Authority(RQIA);***
- ***Benchmarking;***
- ***Medicines and Healthcare Products Regulatory Agency (MHRA);***
- ***Human Tissue Authority (HTA);***
- ***Human Fertilisation and Embryology Authority (HFEA); 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 2019-20 Internal Audit reviewed the following systems:

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE
FINANCE AUDITS:	
Payments to Staff (with a specific focus on the Acute Directorate)	Limited
Non Pay Expenditure (with specific focus on Older People & Primary Care Directorate)	Satisfactory - Non Pay Expenditure Limited - Social Care Procurement
Core HR audit (HRPTS specific)	Satisfactory
Travel Expenses (Trust controls – with a specific focus on Mental Health & Disability Directorate)	Satisfactory
Charitable Funds	Satisfactory
Patients Private Property – Mental Health & Disability Inpatient Wards	Satisfactory
Management of Client Monies in Independent Sector (including Adult Supported Living Services) <i>This summarises 4 separate audit reports in this area</i>	Satisfactory - 8 out of 12 Independent Homes Visited Limited - 3 out of 12 Independent Sector Homes visited (including 1 Home visited on behalf of 4 Trusts) Unacceptable - 1 out of 12 Independent Homes Visited
Management of Private Patients and Paying Patients (including management of change of status activity)	Limited (draft report)
Pharmacy Procurement & Contract Management	Satisfactory
Management of Domiciliary Care - Substantive follow up of 2018/19 audit of Management of in-house service	Limited (improved position)

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE
Ann's Homecare (Domiciliary Care Provider)	Limited
Recruitment in the Trust (with a focus on non-medical staffing)	Limited
CORPORATE RISK AUDITS	
Management of Outpatient Referrals in Cardiology, Dermatology and ENT	Satisfactory (draft report)
Management of Waiting Lists – Pre-operative Assessment and Patient Consent	Limited – Pre-op Assessment Satisfactory – Management of Consent (draft report)
Children in Adult Wards	Limited
Cyber Security IT Audit – Managing User Privileges and ICT Risk Management	Satisfactory
GOVERNANCE AUDITS	
Risk Management	Satisfactory
Whistleblowing Processes	Satisfactory
Fraud Processes	Satisfactory
Absence Management	Limited
Medication Incident Management	Satisfactory – Trust Medication Incidents Limited – Independent sector Medication Incidents
Fire Safety	Limited

Follow up work

At year end, Internal Audit followed up in respect of the implementation of 392 previous priority one and two Internal Audit recommendations agreed in Internal Audit reports. 96% (377) of these recommendations were fully or partially implemented at the year-end but include 54 recommendations where an updated position was unable to be given in late March due to the impact of COVID-19 on Trust services. Of the 4% (15) of recommendations not implemented, there were no priority one recommendations.

The Trust continues to closely and regularly monitor the status of outstanding internal audit recommendations.

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 – Mid Year	Limited
Payroll Shared Service – Year End	<p>Satisfactory - Elementary Payroll Processes</p> <p>Limited - Timesheets, Management of Overpayments and SAP/HMRC RTI Reconciliation</p>
Recruitment Shared Service	<p>Satisfactory - RSSC recruitment processes</p> <p>Limited - eRecruit system functionality</p>
Accounts Receivable	Satisfactory
Accounts Payable	Satisfactory

The Payroll Shared Service audit reflects an improved position in a number of areas by March 2020, particularly elementary payroll processes. However, Internal Audit continues to provide Limited assurance in respect of Timesheets, Management of Overpayments and SAP/HMRC RTI Reconciliation.

With respect to the Recruitment Shared Service Centre (RSSC), Internal Audit have provided limited assurance in respect of the eRecruit system functionality which is used as the key Line of Business application by RSSC and hiring managers to process recruitments. The eRecruit system functionality is not sufficient to meet the needs of RSSC or their clients without the multiple additional processes, controls and workarounds that are in place to facilitate the recruitment process.

Overall Opinion for 2019-20

In her Annual Report, the Head of Internal Audit provided satisfactory assurance on the adequacy and effectiveness of the Trust’s framework of governance, risk management and control. However it is highlighted that limited assurance has been provided in a number of areas, including payments to staff and management of children in adult wards. An unacceptable assurance was also provided in respect of the management of client monies in an IS Care home provider.

Details of the significant issues identified within the limited and unacceptable assurance reports provided to the Trust are noted below. Management have agreed appropriate timescales for all of these issues to be addressed.

Payments to staff: Limited assurance was provided on the basis that there were significant numbers of timesheets being submitted monthly by the Trust outside the HRPTS system for processing which can increase risk of error and fraud; that a number of payments were made outside Agenda for Change terms and conditions and that some delays with validation checking of Staff in post listings were noted.

Non pay expenditure: Limited assurance was given on the basis that there was a significant amount of expenditure, mainly social care expenditure identified which had not been subject to a competitive procurement process.

Management of Client Monies in Independent Sector: A range of weaknesses in custodial and reconciliation controls were highlighted across 3 providers giving rise to limited assurance and there were significant findings in one care home where there were incomplete records which have resulted in unacceptable assurance. All of these providers will be subject to re-audit in 2020-21 and have/will be subject to performance management arrangements under their contract with the Trust.

Domiciliary Care (in-house services): Limited assurance has been provided on the basis that there continued to be significant under delivery between actual care times delivered by Trust Homecare compared to commissioned and paid for time; and the need to further embed new processes amongst staff.

Domiciliary Care Independent Sector provider: Limited assurance was given as the provider invoices were based on commissioned times, and not on actual times delivered by care workers. While there was a process in place for the collection of Daily Record Sheets (DRSs) for monitoring quality of service delivery, there was not an effective process operating for monitoring cases of regular under or over delivery of actual care hours against commissioned time by service user and for subsequently agreeing changes to commissioned time with the Trust.

Absence Management: Limited assurance is provided on the basis that testing found that not all periods of sickness of medical staff were being recorded on HRPTS and that appropriate referrals were not being made to Occupational Health.

Fire Safety: Limited assurance was given because Fire Risk Assessments (FRAs) are not being reviewed as per the Trust's internal review timescales, nor are the required number of fire drills being undertaken annually in the Trust.

Recruitment in the Trust: Limited assurance is provided on the basis of delays in parts of the Trust activities in respect of recruitment which takes 16.8 days on

average and there are delays on the Trust side after the recruitment activity passes to BSO RSSC. The Trust has also not set KPIs to assist with monitoring and management of recruitment activities for the first 4 stages of the recruitment.

Independent Sector Medication Incidents: Internal Audit has provided limited assurance in relation to the management of medication incidents in the independent sector. It has been provided on the basis that there is under-reporting on DatixWeb of medication incidents in the independent sector. There was a lack of evidence to support appropriate investigation and learning being taken forward and captured through Datix Web for these types of incidents.

Children in Adult Wards: Limited assurance is provided on the basis of four significant findings in relation to the update of hyponatraemia related training; mandatory safeguarding training for medical and nursing staff falling below expected standards; the absence of a current Trust policy covering the treatment of children in adult wards and lack of clarity regarding the appropriate documentation to be held on children's files.

There are also four significant findings in the draft reports with limited assurance listed above, impacting on the assurance in respect of Management of Private and Paying Patients and Pre-op Assessments. These reports remain in draft format pending management consideration and response but have been considered in the overall HIA annual opinion in 2019-20.

The recommendations of the Internal Auditor to address control weaknesses have or will be considered by the Audit Committee. Due to the impact of the COVID-19 pandemic, there will be a delay in presentation of three draft reports until the Audit Committee in October 2020 where the Audit Committee will review management responses to the recommendations made and their implementation will continue to be monitored by the Audit Committee regularly.

Northern Ireland Audit Office (External auditor)

The external auditor undertakes an independent examination of the annual financial statements in accordance with auditing standards issued by the Auditing Practices Board.

In addition, the external auditor will provide a Report to those charged with Governance which brings to the attention of the Accounting Officer audit findings and any control weaknesses identified during the course of the external audit. The external auditor reports all of these findings to the Audit Committee. In the course of the external audit for 2019-20, the external auditor has brought to the attention of management no priority one issues.

The Northern Ireland Audit Office also conducts a number of Value for Money studies across the health sector on an annual basis and these are presented to the Audit Committee.

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 and the Trust responses. Directors are responsible for progressing actions to ensure recommendations within their remit are achieved within their Directorates.

With regard to the Independent Sector Care provision, all inspection reports and Serious Concerns by RQIA are discussed and actioned at the Trust Independent Sector Cross – Directorate Governance Committee.

In line with Departmental requirements, the Trust reports bi-annually to the Department of Health on progress against selected RQIA recommendations.

Benchmarking

The Trust participates in external benchmarking of hospital based data against a UK peer group of like hospitals. A contracted service provider provides reporting on a range of key performance indicators including efficiency and safety measures providing independent assessment of performance against peers, supporting this function with analysis and support at Directorate level. The Trust acute hospital network (Craigavon Area and Daisy Hill) continued to be recognised as one of the UK's top hospitals for 2019.

The Trust has also expanded its external benchmarking outside hospital services via the NHS Benchmarking Network. The Network undertakes a series of Benchmarking Projects each year covering a range of service areas. During 2019-20, the Trust participated in 'Emergency Care', 'Mental Health' and a 'Managing Frailty' benchmarking projects. The NHS Benchmarking Network produce bespoke reports outlining our performance against a range of indicators, highlighting our position against that of our peers. These reports form the basis of any Directorate Action Plan subsequently developed. Some of the findings from the 'Emergency Care' report highlighted Estates infrastructure being of a lower standard on some sites than the mean position across NI Trusts as well as longer wait times in Craigavon Area Hospital Emergency Department. Key findings of the 'Mental Health' report included high bed occupancy, shorter length of stay and fewer beds per 100,000 of the registered population. The key findings on the 'Managing Frailty' report are being considered currently by the Trust.

Medicines and Healthcare Products Regulatory Agency (MHRA)

MHRA inspect the Specials 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 22nd August 2018. There were no compliance issues identified by the Trust in 2019-20 and there is currently no notice of future inspection.

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 regulate organisations that remove, store and use human tissue for various purposes. The HTA build 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.

The Human Fertilisation and Embryology Authority (HFEA)

The Trust is subject to the HFEA 1990 Act with the license certified every 4 years for the Fertility Clinic and an inspection every 2 years. The HFEA checks for compliance with the legislation and review the required audits and relevant policies and procedures. There was an inspection carried out in February 2020 with a report expected in June 2020.

11. 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.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Senior Management Team, Trust Board, Head of Internal Audit, Audit 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 2019-20 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.

12. Internal Governance Divergences

Prior Year Issues - Closed

Three governance matters in the previous years have now been addressed and no longer represent a reportable governance issue for the Trust.

Business case approval process for Confidence & Supply Funding

All Confidence and Supply Transformation Business Cases that had not been formally approved by HSCB by way of allocation letter at 31 March 2019, but were approved via receipt of RRL (being 10 in number) were all subsequently approved early in the new financial year 2019 -20.

Non-compliance with lease policy

The Trust has a process in place to renew leases that it is over holding on. Where opportunities arise, the Trust is seeking to surrender or cease leases and relocate staff and services back into Trust owned Estate. Where the Trust has proposals being developed it is advantageous to continue to over hold to provide flexibility to vacate leased premises or take back granted accommodation. The decision to over hold is assessed on the basis that the accommodation move will happen within the next 12 months, if this is unlikely, Estates would seek a new lease agreement via the SOC process. The Trust has a programme in place for the renewal of leases and robust arrangements to manage critical lease dates in line with current policy. These arrangements are now managed and monitored by a professionally qualified Property Manager and are reported annually, through Trust Senior Management, in the Trust Asset Management Plan. The process for renewing agreements is dependent on a number of third parties to provide information to the SOC, LPS for valuations, Landlords and their agents to agree on terms and DLS to oversee the legal documentation. We envisage that by October 2020 we will have the majority of SOCs which are at various stages of the process completed (subject to resources remaining and 3rd party stakeholders complying with the process), whilst continuing to proactively deal with upcoming SOCs to avoid non-compliance.

Emergency Department at Daisy Hill Hospital

Through the DHH Pathfinder Group an exemplar Model to meet the unscheduled care needs of the Newry and Mourne population was developed. The new Direct Assessment Unit (DAU) costing £1m, opened in February 2019. GP referrals to the DAU commenced on 15 April and NIAS referrals commenced from September 2019. Feedback received via patient surveys has been very positive and the Trust will continue to monitor and evaluate the outcomes of the DAU.

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

A number of governance matters arising in prior years are still considered to represent internal governance divergences for 2019-20. These are as follows:

Contract & Procurement Management

Social Care Procurement

In order to minimise the risk of non-compliance with the Public Contract Regulations 2015, all DoH ALBs continue to extend CoPE cover for social and health care services in the Light Touch Regime.

The regionally agreed five year procurement plan for the procurement of social care and other specific contracts over the EU threshold value is being reviewed to ensure it reflects what can be achieved in the light of ongoing policy reviews in adult social care. The Trust has a number of extant contracts over EU threshold and these, under advice of the Social Care Procurement Unit, have as an interim measure, been directly awarded to current providers until these contracted service areas align with the regional plan; at this stage these procurements can be taken forward as part of the regional plan.

The Trust has in place resources, operating under the influence of the Social Care Procurement Unit, to undertake a number of Trust specific procurements related in the main to operational need and strategic change and is aligned to support pre-procurement activities of the regional procurement plan.

No specific common approach has yet been agreed for the management of award of contracts under EU threshold level however work is ongoing in this area. A large number of these contracts can be of a low value and it will be a key deliverable to ensure as awards process that is both proportionate to the value of the contract and reflects best practice with arrangements to establish value for money achieved. No specific resources are available for the award of contracts 'under threshold' and the Trust will continue to adopt a pragmatic approach in the management of this until a consistent and proportionate regional approach is agreed.

General Contract Management

The Trust continues to assess that it is not fully compliant with HSC (F) 32/2017: Procurement Guidance Note (01/12) Contract Management (as amended) – Procedures and Principles.

In January 2020, the Trust agreed a proposal to strengthen the corporate oversight and monitoring of the existing delegated contract management arrangements. This proposal will include appointment of a Contracts Governance Manager in 2020-21 to scope existing arrangements and bring forward an improvement plan. Future

management of this area will continue to be subject to availability of resources. The risks associated with this remain noted on the Trust's Corporate Risk Register.

Trust Estate Risks

The age, condition and nature of the estate continue to pose potential risks and are exacerbated by limited capital investment in major renewal and replacement projects. The estimated investment required for backlog maintenance is £252m. Of particular note is the deterioration of exposed concrete on Daisy Hill Hospital exterior, leading to the detachment of concrete debris which poses a risk to service users, staff and public. The Trust implemented a number of controls to mitigate the risk which included completing interim structural repairs to the concrete heads and lintels as recommended by the Structural engineer. This action should afford the Trust 7 – 10 years to implement a longer term solution involving over cladding and window replacement, estimated to cost circa £2m.

In addition, the Low Voltage, (LV), infrastructure to the main CAH hospital block poses a significant risk of interruption to services along with associated patient safety risks. Controls are in place to mitigate this risk including the completion of £650k of capital works in March 2020 to provide a secondary adequate mains electricity supply to critical areas of the hospital in the event that one of the fixed breakers fails again. However, additional capital investment of £700k is urgently required to provide a containerised standby generator and fuel tank storage, etc. to make this an HTM-compliant electrical supply – this requirement has been included in the capital business case for a new CT scanner for CAH.

Clinical and Social Care Risks

Elective Care

As recognised by DoH and HSCB, the Trust has a number of capacity gaps in specialty areas associated with increasing demand; the absence of significant recurrent investment in elective services, the growing impact of competing unscheduled care demands and increasing workforce pressures. This continues to impact and is evidenced in the growth in wait times, particularly for routine patients. The Trusts ability to achieve access targets in outpatients across all programmes of care, diagnostics, inpatient and day case surgeries and allied health professional areas remains challenged. Reform of Services, as set out in the Elective Care Plan, will be required to see longer term gains.

In the year, the Trust was particularly challenged with nursing workforce supply to theatres. This led to contraction of the service provision, with a capped elective theatre capacity throughout the year and in quarter 4 the cessation of elective orthopaedic theatres.

£4.5m of non-recurrent funding allocated by the HSCB was utilised in 2019-20 to provide additional elective activity, with the majority of this capacity focused on patient safety with additional capacity directed in the first instance to 'red flag' and 'urgent' assessments.

This capacity has supported the provision of capacity to the cancer pathways. Whilst the Trust continues to achieve the 14-day and 31-day targets, and performs comparably strong against the 62-day pathway target, it acknowledges this performance is challenging and more patients are waiting longer on the 62-day pathway.

Elective capacity challenges also impacts upon planned treatments for repeat procedures and for reviews following assessment. The Trust's ability to manage planned and review assessments within clinically indicated timescales has become more challenging.

The impact of planning and responding to COVID-19 has significantly impacted on elective capacity in March 2020. The Trust is working with the HSCB to assess the impact of this however it is anticipated that the current and future impact will have a significant impact on elective capacity and present further challenges to this area. Opportunities to embrace technology to reduce face to face contacts and increase capacity for patient assessment will be progressed.

Unscheduled Care

In 2019-20, the Trust continued to be challenged to manage demand for unscheduled care, evidenced in increased waits beyond 12 hours for admission with performance against the 4 hours and 12 hour targets deteriorating. These pressures continued throughout the year and were not confined to typical 'winter' months.

The Trust's unscheduled care resilience plan continued to build on learning from local and regional networks and sought to focus on alleviating pressures on the Emergency Department, creating capacity where this was possible, and supporting staff.

The challenge of creating capacity to address the comparatively low level of acute bed capacity is compounded by limited infrastructure and the ability to attracting and securing skilled medical, nursing and other key staff.

Whilst progressing the transformational agenda, workforce issues continue to be the greatest challenge and constraint. The ability to maintain a robust medical staffing level for the management of medicine and unscheduled care, in the context of ongoing unscheduled care pressures, continues to require significant internal focus with high reliance on locum staffing provision. Middle grade medical staffing challenges in particular have paused the ability to develop medical ambulatory options which are a key component of elective transformation.

The Trust continues to maintain comparably good performance in relation to its bed utilisation with average length of stay and bed turnover high but does not anticipate an improvement in the current level of unscheduled care performance.

The Mental Health Programme has continued to work in year to improve its inpatient staffing challenges which include challenges in supply of nursing workforce, loss of experienced staff and an increasing reliance on a newly qualified workforce. A detailed improvement plan is in place further to recommendations and learning from the Invited Review by the Royal College of Psychiatrists in the first quarter of 2019-20.

Reform of services as set out in 'Delivering Together' and the Elective Care Plan are required to see longer term gains at local level.

Recruitment

Workforce shortages continued to be an issue in 2019-20 for many groups of staff including medical / GP staff, nursing, Allied health professionals, Social Work and Social Care staff. To address issues of workforce shortage, the Trust's Resourcing Department launched the 'Inspire, Attract, Recruit' Resourcing Strategy in September 2020. This set out our 3 year plan to improve recruitment systems and processes, to widen our reach in workforce sectors locally, nationally and internationally, to undertake a programme of early engagement with students to promote HSC as a career option and to improve our applicant experience. The Resourcing Department continues to work collaboratively with the BSO Recruitment & Selection Shared Service Centre (RSSC) and as part of the regional Strategic Resourcing Innovation Forum (SRIF) to seek ways to improve the recruitment of non-medical staff to the Trust. Work is continuing on the Nursing & Midwifery Workforce Strategy Project focusing on recruitment and retention of these staff groups. The COVID-19 pandemic which began in early 2020 saw an increase in demand for clinical staff and some of this need was met through recruitment of retired staff, staff returning to clinical practice and university students. A regional HSC workforce campaign was launched with many thousands applying to work in the HSC. The Resourcing team are continuing work to optimise our workforce from applicants to this campaign.

Financial Risks

In addition to the financial risks arising from internal audit reviews conducted in 2019-20 as outlined on pages 64-68, the following on-going risks are noted:

Performance of BSO Payroll Shared Services Centre

The Head of Internal Audit has reviewed the shared services functions provided by BSO as noted on pages 66-68 during 2019-20. The Payroll Shared Service Centre has achieved satisfactory assurance in respect of elementary PSC processes, whilst

remaining as having limited assurance for Timesheets, Management of Overpayments and SAP/HMRC RTI (Real Time information) Reconciliation. Limited assurance is provided on the basis that the end-to-end timesheet process in the HSC requires significant strengthening, particularly in the area of demonstrating appropriate authorisation. PSC have also not adequately resolved the issues with calculating overpayments and handing over to Accounts Receivable for recovery, whilst work continues on a project to reconcile RTI (Real Time Information) data from HRPTS to HMRC data. However, progress has been made and of the 21 previously agreed outstanding internal audit recommendations, 10 of these were fully implemented, 7 were partially implemented and in 4 cases the implementation date/revised implementation was not yet due.

Therefore a significant programme of work remains for BSO management to address but progress is evident. BSO management have accepted the recommendations and continue to provide assurance that action plans are in place and closely monitored within BSO.

The Trust will continue to monitor progress at Audit Committee.

Failures in supervisory and managerial controls

The scale and number of payroll overpayments have continued to be monitored in 2019-20. Failures in supervision and appropriate checking at a managerial level continue to be a recurrent causal factor within the Trust. A monthly report to Directors of each payroll overpayment which occurred in month in their Directorate, the amount of money involved, the service area and the root cause of the overpayment e.g. late paperwork continues to be generated, however the impact of this information remains unclear. A focused meeting by representatives from Finance and Human Resources with each Directorate senior management team is planned in 2020-21.

Budget Position and Financial Outlook

As part of the Trust Delivery Planning process the Trust presented a financial strategy and plan to achieve a breakeven financial position in the year to 31 March 2020. This plan was successful with the Trust reporting an in year financial breakeven for 2019-20. It is important to note that this reported outturn was following the receipt of significant non-recurring funding, one off contingency measures, expenditure reductions and planned in year slippage on investments. The Trust continues to have underlying recurrent funding pressures, which, coupled with further in-year emergent pressures, to include our response to COVID-19, will undoubtedly ensure that significant budgetary challenges will continue into 2020-21.

The Assembly passed the Budget Act (Northern Ireland) 2020 in March 2020 which authorised the cash and use of resources for all departments and their Arms' Length

Bodies for the 2019-20 year, based on the Executive's final expenditure plans for the year. The Budget Act (Northern Ireland) 2020 also authorised a Vote on Account to authorise departments' access to cash and use of resources for the early months of the 2020-21 financial year. While it would be normal for this to be followed by the 2020-21 Main Estimates and the associated Budget (No. 2) Bill before the summer recess, the COVID-19 emergency and the unprecedented level of allocations which the Executive has agreed in response, has necessitated that the Budget (No. 2) Bill is instead authorising a further Vote on Account to ensure departments and their Arms' Length Bodies have access to the cash and resources through to the end of October 2020, when the Main Estimates will be brought to the Assembly and the public expenditure position is more stable.

On the 31st March 2020, in a statement to the Assembly, the Minister for Finance announced the 2020-21 budget for Northern Ireland Departments. This budget secures a 4.7% increase for Health and Social Care when compared to the forecasted expenditure of 2019-20.

Across the HSC sector it is expected that the significant financial challenges faced will continue and extensive budget planning work to support the 2020-21 financial plan is ongoing between the Trust, HSCB and the Department of Health. As with other financial years, the Trust remains committed to achieving financial break even.

Domiciliary Care Services

The Trust continues to have a domiciliary care oversight group in place, however during 2019-20, it has been reviewing the Terms of Reference of the Oversight Group, with a view to incorporating the Oversight Group function within work streams of the overarching Trust Independent Sector Governance Forum, which is a cross directorate group. This IS Governance Forum, oversees Independent Sector Domiciliary Care Providers and Independent Sector Residential and Nursing Home providers, through reviewing trends in respect of compliments, complaints, contract compliance issues, as well as any RQIA recommendations.

Further to the Trust Homecare Domiciliary Care service audit in 2018-19, the Trust has been progressing a detailed action plan. A follow up audit was conducted in 2019-20 and a limited assurance has been provided. The key findings are detailed on page 67.

The Trust also commissioned Internal Audit during 2019-20 to conduct a further audit of an independent domiciliary care provider. Limited assurance was given as the provider invoices were based on commissioned times, and not on actual times delivered by care workers. In order to strengthen the Trust's ability to assure itself that it is receiving all commissioned and paid for time from providers, the Trust introduced a pilot involving monitoring officers during 2019-20. The outcome of this pilot has not been reported as yet.

The Trust also continues to work towards finalising the procurement consultation paper on domiciliary care and is actively engaged in regional work being undertaken to establish a new regional model for domiciliary care.

Waiting List Initiative Payments

Trust management are progressing the internal audit recommendations made following the re-audit of this area in 2018-19 to ensure that all learning and strengthening of processes are embedded in the Trust. At 31 March 2020, 20% of the recommendations were fully implemented and 80% were partially implemented. These issues include the allocation of work during a 4 hour WLI session and the regular review of job plans. The Trust will continue to monitor progress at Audit Committee.

Cyber Security

Cyber Security is included on the Trust's Corporate Risk Register and updates are provided to the Governance Committee on a bi-monthly basis; a Cyber Task and Finish Group was established and is chaired by the Director of Performance & Reform with representation from all Directorates. A Cyber Security Team has been established within the IT Department to address local cyber security issues. Further improvement remains a priority for the Trust and the Trust continues to participate in the Regional Cyber Security Programme Board. Internal Audit continues to review the Trust Cyber Security landscape on a regular basis – subsequent recommendations are being addressed and monitored by Audit Committee.

Report on Inquiry into Hyponatraemia-related Deaths

The Trust's Oversight Group, co-chaired by the Medical Director and the Executive Director of Nursing is continuing to progress work in 2019-2020, reporting regularly to the Senior Management Team and Trust Board.

The Trust continues to participate in the Department of Health programme of work in response to the Inquiry Report's recommendations. The Trust has received in year the new Regional Policy for the administration of intravenous fluids to children aged from birth (term) until their 16th birthday: Reducing the risk of harm due to hyponatraemia; facilitated an Internal Audit on the Management of Children in Adult Wards and progressed work on the updated Competency Framework for nursing staff and Hyponatraemia Training for medical staff.

Trust Contribution to Home Truths Report from the Commissioner for Older People Northern Ireland (COPNI) on Dunmurry Manor Care Home

In respect of the 'Home Truths' Report from the Commissioner for Older People Northern Ireland (COPNI) on Dunmurry Manor Care Home, the Trust is progressing with the five recommendations aligned to the Trust.

The Trust met on a number of occasions with the Independent Review Team and had an opportunity to input to the process.

Whilst the Trust currently has no clients placed within Dunmurry Manor, the Trust continues to liaise with the families of those who were placed there at the time of the COPNI investigation.

The Independent Review Team's report was published in January 2020. The report included 59 recommendations related directly to the investigation findings and were categorised under nine key themes:

- Safeguarding and human rights;
- Care and treatment;
- Medicines management;
- The environment and environmental cleanliness;
- Regulation and inspection;
- Staff skills, competence, training and development;
- Management and leadership; and
- Complaints and communication.

The Trust Independent Sector Governance Forum will review the Independent Review Team's report and take forward any identified learning through this cross directorate group.

New Control Issues in 2019/20

EU Exit

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. On 31 January 2020, the Withdrawal Agreement between the UK and the EU became legally binding and the UK left the EU. The future relationship between the EU and the UK will be determined by negotiations taking place during the transition period ending 31 December 2020. As uncertainty still exists regarding the Northern Ireland Protocol, this is under review in conjunction with key stakeholders. The Southern HSC Trust will continue to work collaboratively with colleagues during 2020-21 across the Department, HSC and wider to ensure we are appropriately prepared for the end of the transition period and the new dispensation.

Fit testing of FFP3 Respirator masks

On 12 June 2020, the Trust was made aware of an issue relating to some of the fit testing that has been completed in a number of HSC Trusts, including the Southern Trust, during the COVID-19 surge period. The Fit Testing Contractor has subsequently advised the Trust that, in a number of cases, the fit testing equipment

was calibrated to a setting not applied in Northern Ireland but which was in line with World Health Organisation recommendations. As a precautionary measure, to reassure staff that the masks are being fitted to the appropriate standards, the Trust has urgently taken forward a review of all fit testing carried out from December 2019 and has made contact with all staff whose results are affected, to advise them of the issue and to arrange to reschedule them for retesting as soon as possible. The affected staff have been made aware of the Workforce COVID-19 helpline details for support and guidance. The Trust will be implementing additional measures to review and monitor fit testing outcomes moving forward to ensure that this situation cannot recur.

12. Conclusion

The Trust has a rigorous system of accountability which I can rely on as Accounting Officer to form an opinion on the probity and use of public funds, as detailed in Managing Public Money NI (MPMNI).

As outlined above, the internal audit review of control systems has resulted in a number of limited assurances in the Trust. A number of priority one issues have been raised with management and extensively examined by the Audit Committee. The findings of these reports and others such as those issued by RQIA will be incorporated into action plans aimed to address the weaknesses/gaps in control.

Further to considering the accountability framework within the Trust and in conjunction with assurances given to me by the Head of Internal Audit, I am content that the Trust has operated a sound system of internal governance during the period 2019-20.

REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2020

Scope of the report

The Remuneration report summaries the remuneration policy of the Southern Health and Social Care Trust and particularly its application in connection with senior executives. The report also describes how the Trust applied the principals 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 Committee

The remuneration and other terms and conditions of Executive Directors are overseen by the Remuneration and Terms of Service Committee.

The Remuneration Committee of the Southern Health and Social Care Trust includes the Chair and 2 Non-Executive Directors of the Trust. They are supported by the Chief Executive and the Director of Human Resources and 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 (NI).

Fees and allowances paid to the Chairman 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, taking into consideration the parameters established by

the Department 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 against the annual Trust Delivery Plan.

During 2019-20, emphasis continued to be on patient safety and quality improvement, ministerial targets and financial balance.

The Chief Executive in turn 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, and 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 Committee are fully conversant with organisational performance via monthly reports to Trust Board.

The levels of performance pay permitted 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 2019 to 31 March 2020. The pay award for 2016-17 to 2018-19 also remains outstanding.

During 2019-20, all contracts were permanent and provide for three months' notice for both parties, with the exception of:

- **Mrs Heather Trouton**, who commenced the role of Executive Director of Nursing on an interim basis from 22 January 2018 to provide cover for this executive role. She was appointed permanently to this role on 19 November 2019.
- **Mr Brian Beattie**, who commenced the role of Acting Director of Older People and Primary Care Services on 13 June 2019 to backfill for Mrs Melanie McClements substantive position as Director of Older People and Primary Care Services.
- **Mrs Melanie McClements**, who commenced the role of Interim Director of Acute Services on 7 June 2019 to provide cover for a period of sick leave by Mrs Esther Gishkori.

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.

Senior Employees' Remuneration (Audited)

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

Name	2019-20				2018-19			
	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								
Mrs R Brownlee - Chair	30-35	100	-	30-35	30-35	100	-	30-35
Mrs S Rooney	5-10	100	-	5-10	5-10	300	-	5-10
Mrs H McCartan	5-10	200	-	5-10	5-10	100	-	5-10
Ms E Mullan	5-10	100	-	5-10	5-10	200	-	5-10
Mr J Wilkinson	5-10	-	-	5-10	5-10	100	-	5-10
Ms G Donaghy	5-10	-	-	5-10	5-10	100	-	5-10
Mr M McDonald	5-10	100	-	5-10	5-10	100	-	5-10
Mrs P Leeson	5-10	200	-	5-10	5-10	200	-	5-10
Executive Members								
Mr S Devin - Chief Executive	95-100	-	28	125-130	95-100	-	21	120-125
Dr R Wright - Medical Director (To August 2018)	N/A	N/A	N/A	N/A	60-65(150-155 FYE)	-	Note 1	60-65(150-155 FYE)
Dr A Khan - Interim Medical Director (From April to December 2018)	N/A	N/A	N/A	N/A	110-115 (150-155 FYE)	700 (1000 FYE)	40 (53 FYE)	150-155 (205-210 FYE)
Dr M O'Kane - Medical Director (From December 2018)	190-195	-	190	380-385	60-65 (185-190 FYE)	-	65 (196 FYE)	125-130 (385-390 FYE)
Mr P Morgan - Director of Children & Young People's Services	75-80	400	Note 2	75-80	75-80	-	Note 2	75-80
Ms H O'Neill - Director of Finance, Procurement & Estates	75-80	100	23	100-105	75-80	100	22	95-100
Mrs H Trouton - Executive Director of Nursing, Midwives and AHP's	80-85	100	22	105-110	0-5 Note 3	-	1	0-5
Other Members								
Mrs E Gishkori - Director of Acute Services	70-75	-	23	95-100	70-75	200	4	75-80
Mrs A Carroll - Acting Director of Acute Services (From July to September 2018)	N/A	N/A	N/A	N/A	10-15 (75-80 FYE)	-	3 (19 FYE)	15-20 (95-100 FYE)
Mrs A Magwood - Director of Performance and Reform	75-80	-	21	95-100	70-75	600	14	85-90
Mrs V Toal - Director of Human Resources and Organisational Development	60-65	300	17	75-80	60-65	400	13	75-80
Mrs C Hamey - Interim Director of Mental Health & Disability Services (From January 2018 to December 2018)	N/A	N/A	N/A	N/A	60-65 (80-85 FYE)	300 (400 FYE)	(1) ((1) FYE)	55-60 (75-80 FYE)
Mr B McNeany - Director of Mental Health & Disability Services (From January 2019)	90-95	300	35	125-130	20-25 (85-90 FYE)	900 (3,600 FYE)	14 (56 FYE)	35-40 (145-150 FYE)
Mrs M McClements - Director of Older People & Primary Care Services (September 2018 to June 2019) Interim Director of Acute Services (June 2019 to present)	75-80	200	13	90-95	75-80	300	22	95-100
Mr B Beattie - Interim Director of Older People & Primary Care (From June 2019)	65-70 (75-80 FYE)	-	45 (54 FYE)	110-115 (130-135 FYE)	N/A	N/A	N/A	N/A

FYE is used as an abbreviation for Full Year Equivalent.

Note 1: Dr R Wright left the Trust during 2018-19 so this is not applicable in 2018-19.

Note 2: Mr P Morgan is beyond the threshold for the calculation of CETV, so this is not applicable.

Note 3: Mrs H Trouton held the post of Interim Executive Director of Nursing and AHPs during 2018-19. The 2018-19 remuneration disclosed above reflects only the salary uplift for the Executive Director part of the role. Current year remuneration reflects the full salary for the new Director role she was appointed to on a permanent basis in 2019-20.

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

The Trust is required to disclose 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:

	2019-20	2018-19
Band of Highest Paid Director's Total Remuneration (£000s)	190-195	150-155
Median Total Remuneration (based on paid salary)	£30,370	£29,315
Ratio	6.3	5.2
Range of Staff Remuneration (normalised for standard hours)	£17,352 - £287,227	£16,934 - £211,273

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 has more than one post with SHSCT. The calculation of median remuneration excludes agency staff.

The banded remuneration of the highest paid Director in 2019-20 was £190,000 - £195,000 (2018-19: £150,000 - £155,000). This is 6.3 (2018-19: 5.2) times the median remuneration of the workforce, which was £30,370 (2018-19: £29,315).

The significant rise in Highest Paid Director in 2019-20 is due to a new Director being in place for the full year in 2019-20, whilst 2018-19 was a year of transition. This consequently has an impact on the median remuneration ratio in year.

In 2019-20, 5 (2018-19: 28) employees 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 Southern HSC Trust were as follows:

Name	2019-20				
	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 31/03/19 £000s	CETV at 31/03/20 £000s	Real increase in CETV £000s
Executive Members					
Mr S Devlin - Chief Executive	0-2.5	22.5-25 plus 10-12.5 lump sum	281	310	20
Dr M O'Kane - Medical Director (From December 2018)	7.5-10 plus 17.5-20 lump sum	75-77.5 plus 212.5-215 lump sum	1,375	1,612	172
Mr P Morgan - Director of Children & Young People's Services	Note 1	Note 1	Note 1	Note 1	Note 1
Ms H O'Neill - Director of Finance, Procurement & Estates	0-2.5	35-37.5 plus 100-102.5 lump sum	645	757	24
Mrs H Trouton - Executive Director of Nursing, Midwives and AHP's	0-2.5	22.5-25 plus 47.5-50 lump sum	418	447	18
Other Members					
Mrs E Gishkori - Director of Acute Services	0-2.5	17.5-20 plus 47.5-50 lump sum	376	405	20
Mrs A Magwood - Director of Performance and Reform	0-2.5	25-27.5 plus 52.5-55 lump sum	425	453	16
Mrs V Toal - Director of Human Resources and Organisational Development	0-2.5	20-22.5 plus 37.5-40 lump sum	288	308	12
Mr B McNeany - Director of Mental Health & Disability Services (From January 2019)	0-2.5	17.5-20	263	307	32
Mrs M McClements - Director of Older People & Primary Care Services (September 2018 to June 2019) Interim Director of Acute Services (June 2019 to present)	0-2.5 plus 0-2.5 lump sum	35-37.5 plus 107.5-110	747	801	18
Mr B Beattie - Interim Director of Older People & Primary Care (From June 2019)	2.5-5 plus 7.5-10 lump sum	30-32.5 plus 95-97.5 lump sum	670	762	61

FYE is used as an abbreviation for Full Year Equivalent.

Note 1: Mr P Morgan is beyond the threshold for the calculation of CETV, so this is not applicable.

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

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the HSC pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV

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

Staff costs comprise (Audited):

Staff costs comprise:	2020		2019	
	Permanently employed staff £000s	Others £000s	Total £000s	Total £000s
Wages and salaries	353,839	47,064	400,903	364,673
Social security costs	30,466	-	30,466	28,577
Other pension costs	68,925	-	68,925	47,339
Sub-Total	453,230	47,064	500,294	440,589
Capitalised staff costs	(451)	-	(451)	(513)
Total staff costs reported in Statement of Comprehensive Expenditure	452,779	47,064	499,843	440,076
Less recoveries in respect of outward secondments			(362)	(193)
Total net costs			499,481	439,883
Total staff costs reported in the statement of comprehensive expenditure of which:			£000s	£000s
Southern HSC Trust			499,843	440,076
Charitable Trust Funds			-	-
Total			499,843	440,076

Staff Costs exclude £451k charged to capital projects during the year (2018-19: £513k).

Staff Costs include £852k associated with Research & Development Projects (2018-19: £737k).

Pension Liabilities

The Trust participates in the HSC Superannuation Scheme. Under this multi-employer defined benefit scheme both the Trust and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the Department of Health. The Trust is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis.

Pension benefits are administered by BSO HSC Pension Service. Two schemes are in operation, HSC Pension Scheme and the HSC Pension Scheme 2015. There are two sections to the HSC Pension Scheme (1995 and 2008) 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.

The Scheme member's contributions are based on their full year whole time equivalent (WTE) pensionable pay.

Full –Time Pensionable Pay used to determine contribution rate	Contribution rate (before tax relief) (gross) 1 April 2015 to 31 March 2020
Up to £15,431.99	5.0%
£15,432.00 to £21,477.99	5.6%
£21,478.00 to £26,823.99	7.1%
£26,824.00 to £47,845.99	9.3%
£47,846.00 to £70,630.99	12.5%
£70,631 to £111,376.99	13.5%
£111,377.00 and over	14.5%

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 2019-20.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding 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 2016 valuation for the HSC Pension scheme updated to reflect current financial conditions and a change in financial assumption methodology will be used in 2019-20 accounts.

During 2019-20, there were 17 (2018-19: 18) early retirements from the Trust, agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £21k (2018-19: £42k). 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 2019-20, the Trust has borne additional pension liabilities of £70k for 8 staff.

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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<£10,000	-	-	-	-	-	-
£10,001 - £25,000	-	-	-	1	-	1
Total number of exit packages	-	-	-	1	-	1
	£000s	£000s	£000s	£000s	£000s	£000s
Total Resource Cost	-	-	-	15	-	15

Redundancy and other departure costs have been 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 (Northern Ireland) Order 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. 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.

Average Number of Persons Employed (Audited)

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

	2020		2019	
	Permanently employed staff No.	Others No.	Total No.	Total No.
Medical and dental	691	127	818	778
Nursing and midwifery	3,679	221	3,900	3,759
Professions allied to medicine	1,347	13	1,360	1,263
Ancillaries	740	102	842	835
Administrative & clerical	1,703	66	1,769	1,712
Estates & Maintenance	116	-	116	108
Social services	1,451	17	1,468	1,383
Domiciliary/Homecare Workers	969	-	969	926
Total average number of persons employed	10,696	546	11,242	10,764
Less average staff number relating to capitalised staff costs	(6)	-	(6)	(8)
Less average staff number in respect of outward secondments	(8)	-	(8)	(2)
Total net average number of persons employed	10,682	546	11,228	10,754
Of which:				
Southern HSC Trust			11,228	
Charitable Trust Fund			-	
			11,228	

Staff Report

The Trust employs 13,612 staff (11,228 whole time equivalent) with 73% of staff providing direct hands on care to patients and clients. This figure includes staff with more than one job position.

Staff Composition by Gender

The following table provides an analysis of the number of employed staff as at 31 March 2020 by gender:

	Directors		Non-Executive Directors		Senior Staff		Other Staff		Trust Total	
	Number	%	Number	%	Number	%	Number	%	Number	%
Female	6	60	6	75	25	56	11,517	85	11,554	85
Male	4	40	2	25	20	44	2,032	15	2,058	15
Total	10		8		45		13,549		13,612	

- Senior staff is defined as Assistant Director and above but excluding senior management*

Staff Policies and Other Employee Matters

The 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 of Opportunity Policy. 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 Trust's commitment to equality of opportunity for all is the Trust's recruitment and selection procedures, the policy on the Employment of Persons with a Disability and Guidance for Managers 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 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 Trust continues to work in partnership with Trade Union colleagues and has developed across all directorates resulting in staff and management working together to deliver

a number of very significant change initiatives and service reforms over the past number of years.

A Staff Involvement Framework governs how the Trust involves staff in decisions that affect them through a range of processes, procedures and initiatives to develop a consistent approach to involving staff.

Time Off Work Policy

In line with the Trust's commitment to equality of opportunity in employment for all staff and to developing work practices and HR policies that help employees meet both their work and personal commitments, the new Time Off Work Policy was launched with effect from 1 November 2019.

The Policy is to ensure that we do everything we reasonably can to help our staff when they might require time off work for personal appointments. The Policy informs staff and managers, of the range of options available when time off work is required, to help meet personal commitments.

The purpose of the Policy was to ensure the Trust could assist and support staff, with time off work to attend to personal obligations and appointments, deal with family bereavements and carry out official/public duties.

Work Life Balance Policy

Along with the launch of the Time Off Work Policy, a review was undertaken of the Trust's Work Life Balance Policy in November 2019. This Policy compliments the Time Off Work Policy, setting out detail on the statutory provisions available to staff to ensure a healthy work life balance.

Conflict, Bullying & Harassment in the Workplace Policy

The Trust is an equal opportunities employer and we strive to create and promote a harmonious working environment, where all staff feel safe at work and are treated with respect and dignity. Poor working relationships, unresolved conflict, bullying and harassment can have a detrimental effect on personal wellbeing, as well as the wider working environment including impacting patient care.

This new regional Policy was implemented in April 2019 and replaced our Working Well Together and Harassment at Work Policies.

Since April 2019, the Trust has trained a cohort of HR staff and service managers in formal mediation to ensure we can offer this as an option to resolve issues of conflict without the need for difficult formal investigation processes.

Inspire, Attract, Recruit – Strategy to Enhance Our Workforce Supply 2019-2022

In September 2019, we launched our Trust's 3 year 'Inspire, Attract, Recruit' Resourcing Strategy in response to the significant corporate workforce challenges faced by the Trust. Our staff across all services provides high quality care each day to the Southern Trust patient and service user population. But, facing ever increasing demands on our services, we also have the challenge of workforce shortages in some of our professions.

The strategy's aim is to address the challenges and offer solutions to how we attract and recruit staff to our workforce and inspire the future generation of HSC staff.

Trust Charity Partnership 2018 – 2020

The Trust's two year joint partnership with PIPS Upper Bann and PIPS Hope and Support, both Public Initiatives for the Prevention of Suicide and Self Harm concluded in March 2020. Throughout the term staff have embraced the partnership to help raise awareness and vital funds for both PIPS charities. In total we raised £50,268.71 through a range of events like raffles, coffee mornings, sponsored activities and a gala ball. This has provided 2010 sessions of crisis counselling to support vulnerable people who are at risk of suicide and people who self-harm in the Southern Trust area.

Workplace Health and Wellbeing

Since the launch of the Health & Wellbeing Strategy in April 2018 there has been significant progress to support the Trust's aim of achieving and maintaining a healthy workforce by providing a safe, supportive, and health promoting workplace. Three work-streams have been established to support the work of the Health & Wellbeing Steering Group in implementing the aims of the Strategy: Better Physical Health and Wellbeing to deliver actions to support the physical health and wellbeing of all staff; Better Psychological Health and Wellbeing to help maintain and develop good psychological health and wellbeing of all staff and Employee Experience to improve the employee experience by creating a great workplace and the conditions where staff can offer more of their capability and potential.

Key achievements to promote, protect and improve staff health and wellbeing range from the identification of a pool of exercise professionals to deliver staff physical

activity programmes, various health checks offered to all staff across Trust sites to the development of a Menopause at Work policy.

Usage of the U_Matter online hub where staff access information and services in support of health and wellbeing continues to grow. U_Matter is continuously updated with information, advice, events and services available and several new sections have been added including a Cancer section, Chaplaincy, Grief / bereavement section and Healthy eating recipe books. A new Friday Focus global email issued from U_Matter team was also introduced to staff in October 2019, to share key messages and help promote staff health and wellbeing.

Approximately 76 staff have volunteered as Health Champions to support and promote health and wellbeing activities, initiatives and the U_Matter website among their colleagues and teams. Some examples of activities organised by Health Champions include setting up team wellness hubs, fundraising events, organising complementary therapies for staff and walking groups.

HSC Values and behaviours

In October 2019, the Trust launched the new HSC Values and behaviours. Following a communication and engagement exercise with stakeholders across Health and Social Care including both staff and service users, an agreed set of values and associated behaviours for everybody working in and using Health and Social Care in NI were agreed. These included Openness, Compassion, Working Together and Excellence.

As part of the action plan to communicate and embed these values across the Trust, presentations were delivered across Directorate senior teams and 'Every contact matters' workshops were designed and offered to teams across the Trust. The new values were embedded into the 2020 Trust Excellence Awards, Leadership Conference and Annual Quality Improvement Event.

'Creating a great place to work' – our people priorities

Recognising that it is 'our people' that make the difference to how we perform, the Trust is developing a People Strategy, which will focus on what is needed to lead, support and manage our people for sustainable results. In developing the strategy a staff engagement exercise was planned with staff across all directorates. During 2019-20, staff were invited to attend one of a number of 'coffee conversations' which were held across Trust sites. The 2019 staff survey results were used to start the conversation and staff were asked to feedback on what would really make a difference to them and their teams – helping to create a great place to work. A small number of targeted conversations were also held with key groups and existing work

streams within directorates. Discussions focused on 4 key themes that came out of the 2019 staff survey; communication and engagement, leadership, health and wellbeing and valuing and recognising our staff.

Equality and Diversity

During the year, a regional review of the Equal Opportunity Policy took place. The new policy is entitled Equality, Diversity and Inclusion Policy and carries forward the values and principles in the former policy. The policy has been updated to take account of developments within the sphere of equality, human rights, disability and good and harmonious working relations. The Harmonious Working Environment Statement (Joint Declaration of Protection) has also been incorporated into this policy for completeness. The Policy will be launched and shared with staff in summer 2020.

A regional review was also undertaken on the policy of the Employment of Persons with a Disability. The renamed Disability Equality Policy aims to increase the participation of disabled persons in HSC organisations and promote positive attitudes towards individuals with a disability along with a supportive working environment.

The Trust continues to roll out the eLearning Programme 'Equality, Good Relations and Human Rights - 'Making a Difference' which is now mandatory for all staff to complete.

Staff sickness and absenteeism

The cumulative sickness and absenteeism rate for the Trust as at 31 March 2020 was 5.39% (2018-19: 5.35%). The Trust's target for 2018-19 was 4.93% and remained unchanged for 2019-20.

Staff Benefits

There were no staff benefits in 2019-20 or 2018-19.

Off Payroll Engagements (Audited)

The Trust is required to disclose the details of off-payroll engagements which cost more than £245 per day, last longer than six months and that were in place during the year.

The Trust did not engage Off Payroll Staff Resources in 2019-20.

The Trust incurred expenditure of £22k in 2019-20 on an external consultancy review of Mental Health In-Patient services.

Trust Management Costs

	2020 £000s	2019 £000s
Trust management costs	25,164	22,289
Income:		
RRL	764,449	673,273
Income	45,041	42,320
Non cash RRL for movement in clinical negligence provision	(16,895)	4,909
Total Income	792,591	720,502
% of total income	3.2%	3.1%

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.

	2020 £'000s	2019 £'000s	2018 £'000s
Trust Management Costs	25,164	22,289	21,764
Total Income	792,593	720,502	667,359
% of Total Income	3.2%	3.1%	3.3%

Accountability and Audit Report

Complaints Management

The quality and safety of services we provide is very important to us. We aim to continually improve and it is often people who have observed our services who can help us to learn and improve by sharing their experiences.

The Trust aims to provide the highest possible standard of care to all service users. Service user's knowledge and rich source of feedback about their experiences are essential in continuing our drive for continuous improvement and excellence in all we do. Information on how to make a complaint, suggestion or comment can be found in our "We Value Your Views" leaflet.

Each year a significant number of people receive services provided or commissioned by the Southern Health & Social Care Trust and the vast majority have a positive experience and are cared for by well trained professional and support service staff, all of whom are highly dedicated. However, like any organisation, things can go wrong and service users can express dissatisfaction with services, when this happens we are committed to listen, learn and improve.

The Trust continues to investigate complaints in an open and transparent way, using issues raised through the complaints process as an important source of information for safety and quality improvement. Discussing and sharing the outcome of complaints investigations is one of the ways we improve the experience of people using our services, and ultimately the safety and quality of the treatment and care we provide.

Within the Trust it is the responsibility of all Trust staff to utilise the information and trends from their complaints to ensure learning and development takes place at a service and individual level.

The Senior Management Team will consider the trends and themes of complaints to ensure we **listen, learn and improve**.

The number of complaints received for the financial year 2019-20 was 734 (2018-19: 674). Further information on the monitoring of complaints is contained in the Complaints Annual Report, which is published on our website. The Trust Complaints Team can be contacted at complaints@southerntrust.hscni.net or Tel: 028 375 64600.

Compliance with regularity of expenditure guidance

The Trust Management Statement (MS) and the Financial Memorandum (FM) which exists between the DoH and the Trust, outlines the framework in which the Trust will operate and details certain aspects of financial provisions which the Trust will observe.

The discharge of the responsibilities within the MS/FM is supported by the Standing Financial Instructions (SFIs) of the Trust. The SFIs are then further supported by finance policies and detailed financial procedures which must be kept up to date with Department of Health circulars as appropriate.

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

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

Long Term Expenditure

Details of long term expenditure plans are included on pages 24 and 25 of the Performance Report.

Rural Needs Act 2016

As outlined in the Rural Needs Act 2016, the Trust has a legal duty to ensure due regard is paid to the consideration of the social and economic needs of service users in rural areas when designing and delivering our services. The Trust has implemented systems to ensure adherence to the requirements of this Act. As per correspondence received from Department of Agriculture, Environment & Rural Affairs, the Trust is preparing for reporting of information for the year 19-20 in September 2020.

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

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

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

Losses and special payments are reported to the Audit 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	2019-20		2018-19
	Number of Cases	£000	£000
Total Number of Losses	4,256		
Total Value of Losses		339	523

Individual Losses over £250,000	2019-20		2018-19
	Number of Cases	£	£
Cash Losses	0	0	0
Administrative Write Offs	0	0	0
Fruitless Payments	0	0	0
Store Losses	0	0	0

Special Payments	2019-20		2018-19
	Number of Cases	£000	£000
Total Number of Special Payments	116		
Total Value of Special Payments		6,026	2,730

Special Payments over £250,000	2019-20		2018-19
	Number of Cases	£	£
Compensation Payments			
- Clinical Negligence	4	2,492,268	0
- Public Liability	0	0	0
- Employers Liability	0	0	0
- Other	0	0	0
Ex-gratia payments	0	0	0
Extra contractual	0	0	0
Special severance payments	0	0	0
Total Special Payments	4	2,492,268	0

Special Payments (Audited)

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

Other Payments and Estimates (Audited)

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

Remote Contingent Liabilities (Audited)

In addition to Contingent Liabilities reported within the meaning of IAS37, (included in the Annual Accounts Note 20), the Southern HSC 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 Shane Devlin

Accounting Officer

Date: 30 June 2020

SOUTHERN HEALTH AND SOCIAL CARE TRUST – PUBLIC FUNDS

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

Opinion on financial statements

I certify that I have audited the financial statements of the Southern Health and Social Care Trust for the year ended 31 March 2020 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. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the group's and of the Southern Health and Social Care Trust's affairs as at 31 March 2020 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.

Emphasis of Matter

I draw attention to Note 5.1 of the financial statements, which describes the material valuation uncertainties for Land and Buildings due to the consequences of the COVID-19 pandemic. My opinion is not modified in respect of the matter.

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 of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities 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 this certificate. My staff and I are independent of Southern Health and Social Care Trust in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, 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

I have nothing to report in respect of the following matters in relation to which the ISAs(UK) require me to report to you where:

- the Southern Health and Social Care Trust's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Southern Health and Social Care Trust have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Southern Health and Social Care Trust's ability to continue to adopt the going concern basis.

Other Information

The Trust and the Accounting Officer are responsible for the other information included in the annual report. The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in the report as having been audited, and my audit certificate and report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, 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, 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:

- 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.

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 and for being satisfied that they give a true and fair view.

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 evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

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.

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 financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; 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.

Report

A report on the valuation of land and buildings is not considered necessary, as the circumstances are beyond the control of management.



KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU
10 July 2020

3

Financial Statements

Annual Accounts for the Year Ended 31 March 2020

FOREWORD

These accounts for the year ended 31 March 2020 have been prepared in accordance with Article 90(2) (a) of the Health and Personal Social Services (Northern Ireland) Order 1972, as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003, in a form directed by the Department of Health.

CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2020

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	2020			2019		
		Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Income							
Revenue from contracts with customers	4.1	40,641	-	40,641	38,387	-	38,387
Other Operating Income	4.2	4,369	224	4,593	3,933	342	4,275
Total Operating Income		45,010	224	45,234	42,320	342	42,662
Expenditure							
Staff costs	3	(499,843)	-	(499,843)	(440,076)	-	(440,076)
Purchase of Goods and Services	3	(190,074)	(43)	(190,117)	(180,406)	(40)	(180,446)
Depreciation, amortisation and impairment charges	3	(17,956)	-	(17,956)	(20,257)	-	(20,257)
Provision Expense	3	(18,108)	-	(18,108)	4,962	-	4,962
Other Expenditures	3	(83,458)	(355)	(83,813)	(79,736)	(311)	(80,047)
Total Operating Expenditure		(809,439)	(398)	(809,837)	(715,513)	(351)	(715,864)
Net Operating Expenditure		(764,429)	(174)	(764,603)	(673,193)	(9)	(673,202)
Finance Income	4.2	31	125	156	-	119	119
Finance Expense	3	(8)	-	(8)	(37)	-	(37)
Net Expenditure for the year		(764,406)	(49)	(764,455)	(673,230)	110	(673,120)
Revenue Resource Limit (RRL) and capital grants	23.1	764,449	-	764,449	673,273	-	673,273
Add back charitable trust fund net expenditure		-	49	49	-	(110)	(110)
Surplus against RRL		43	-	43	43	-	43
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/ 9	17,658	-	17,658	5,633	-	5,633
Net (loss)/gain on revaluation of charitable assets	7	-	(183)	(183)	-	182	182
TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March 2020		(746,748)	(232)	(746,980)	(667,597)	292	(667,305)

The notes on pages 112 to 157 form part of these accounts.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 March 2020

This statement presents the financial position of Southern Health and Social Care Trust. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	NOTE	2020		2019	
		Trust £000s	Consolidated £000s	Trust £000s	Consolidated £000s
Non-Current Assets					
Property, plant and equipment	5.1/5.2	330,754	330,754	317,743	317,743
Intangible assets	6.1/6.2	4,912	4,912	5,492	5,492
Financial assets	7.0	-	3,110	-	3,293
Trade and other receivables	13.0	2,157	2,157	1,849	1,849
Total Non-Current Assets		337,823	340,933	325,084	328,377
Current Assets					
Assets classified as held for sale	10.0	-	-	94	94
Inventories	11.0	5,961	5,961	4,587	4,587
Trade and other receivables	13.0	16,125	16,084	15,327	15,350
Other current assets	13.0	2,765	2,828	2,951	2,966
Cash and cash equivalents	12.0	4,919	5,266	2,031	2,419
Total Current Assets		29,770	30,139	24,990	25,416
Total Assets		367,593	371,072	350,074	353,793
Current Liabilities					
Trade and other payables	14.1	(82,627)	(82,648)	(70,604)	(70,633)
Provisions	15.0	(12,696)	(12,696)	(12,795)	(12,795)
Total Current Liabilities		(95,323)	(95,344)	(83,399)	(83,428)
Total Assets Less Current Liabilities		272,270	275,728	266,675	270,365
Non-Current Liabilities					
Provisions	15.0	(55,132)	(55,132)	(43,316)	(43,316)
Total Non-Current Liabilities		(55,132)	(55,132)	(43,316)	(43,316)
Total Assets less Total Liabilities		217,138	220,596	223,359	227,049
Taxpayers' Equity and Other Reserves					
Revaluation reserve		84,577	84,577	67,348	67,348
SoCNE reserve		132,561	132,561	156,011	156,011
Other reserves – charitable fund		-	3,458	-	3,690
Total Equity		217,138	220,596	223,359	227,049

The notes on pages 112 to 157 form part of these accounts.

The financial statements on pages 108 to 157 were approved by the board on 30 June 2020 and were signed on its behalf by:

Signed:  (Chair)

Date: 30 June 2020

Signed:  (Chief Executive)

Date: 30 June 2020

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2020

This statement shows the movement in the year on the different reserves held by Southern HSC Trust, analysed into the SoCNE Reserve (i.e. that reserve that reflects a contribution from the Department of Health). 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 2018		155,057	61,855	3,398	220,310
Changes in Taxpayers Equity 2018-19					
Grant from DoH		674,000	-	-	674,000
Transfers between reserves (Comprehensive net expenditure for the year)		140	(140)	-	-
		(673,230)	5,633	292	(667,305)
Non-cash charges - auditors remuneration	3	44	-	-	44
Balance at 31 March 2019		156,011	67,348	3,690	227,049
Changes in Taxpayers Equity 2019-20					
Grant from DoH		740,484	-	-	740,484
Transfers between reserves (Comprehensive net expenditure for the year)		429	(429)	-	-
		(764,406)	17,658	(232)	(746,980)
Non-cash charges - auditors remuneration	3	43	-	-	43
Balance at 31 March 2020		132,561	84,577	3,458	220,596

The notes on pages 112 to 157 form part of these accounts.

CONSOLIDATED STATEMENT OF CASHFLOW FOR THE YEAR ENDED 31 MARCH 2020

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	2020 £000s	2019 £000s
Cash flows from operating activities			
Net expenditure after interest		(764,455)	(673,120)
Adjustments for non-cash costs		36,113	15,123
(Increase) in trade and other receivables		(904)	(190)
(Increase) in inventories		(1,374)	(802)
Increase in trade payables		12,015	5,962
Movements in receivables relating to the sale of property, plant and equipment		58	-
Movements in payables relating to the purchase of property, plant and equipment		(7)	978
Movements in payables relating to the purchase of intangibles		224	(838)
Use of provisions	15	(6,391)	(3,137)
Net cash outflow from operating activities		(724,721)	(656,024)
Cash flows from investing activities			
Purchase of property, plant & equipment	5	(11,706)	(16,644)
Purchase of intangible assets	6	(1,453)	(1,153)
Proceeds of disposal of property, plant & equipment		86	120
Proceeds on disposal of assets held for resale		157	790
Purchase in investment fund		-	(100)
Share of Income reinvested		-	(182)
Net cash outflow from investing activities		(12,916)	(17,169)
Cash flows from financing activities			
Grant in aid		740,484	674,000
Movement in Charitable Trust Funds		-	182
Net financing		740,484	674,182
Net increase in cash & cash equivalents in the period		2,847	989
Cash & cash equivalents at the beginning of the period	12	2,419	1,430
Cash & cash equivalents at the end of the period	12	5,266	2,419

The notes on pages 112 to 157 form part of these accounts.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

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 Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by the 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 and inventories.

1.2 Currency and Rounding

These accounts are presented in £ sterling and rounded in thousands.

1.3 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.

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 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*

1.3 Property, Plant and Equipment (continued)

- collectively, a number of items have a cost of at least £5,000, 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 of Land and Buildings

Land and buildings are carried at the last professional valuation, in accordance with the Royal Institution of Chartered Surveyors Global Standards & UK National Supplement in so far as these are consistent with the specific needs of the HSC.

The last valuation was carried out on 31 January 2020 by Land and Property Services (LPS) which is an independent executive body within the Department of Finance. The valuers are qualified to meet the ‘Member of Royal Institution of Chartered Surveyors’ (MRICS) standard.

Professional revaluations of land and buildings are undertaken at least once in every five year period and are revalued annually, between professional valuations, using indices provided by LPS.

Land and buildings used for the Trust’s services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

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. LPS have included this requirement within the latest valuation.

1.3 Property, Plant and Equipment (continued)

Assets Under Construction (AUC)

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Assets are revalued and depreciation commences when they are brought into use.

Short Life Assets

Short life is defined as a useful life of up to and including 5 years. From 1 April 2008 HSC entities had the option to elect to cease indexing all short life assets (other than IT which is not indexed). The Trust did not elect to cease indexing all short life assets, (other than IT), as these assets are not held separately on its fixed asset register. Therefore, fixtures and equipment, whether they are short life or have an estimated life in excess of 5 years, are indexed each year and depreciation will be based on the indexed amount. All other short life assets are not indexed but 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.

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.

1.4 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 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.

1.4 Depreciation (continued)

The following asset lives have been used:

Asset Type	Asset Life
Freehold Buildings	25 – 72 years
Leasehold property	Remaining period of lease
IT assets	3 – 10 years
Intangible assets	3 – 10 years
Other Equipment	3 – 15 years

1.5 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.

1.6 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 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.

1.7 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

1.7 Intangible assets (continued)

hardware, for example application software, is capitalised as an intangible 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 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 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 (or less if so desired) 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.

1.8 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 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.

1.8 Non-current assets held for sale (continued)

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.

1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.10 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 5 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 Trust and is recognised 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 are 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.

Grant in aid

Funding received from other entities, including the Department of Health (DoH) and the Health and Social Care Board (HSCB), is accounted for as grant in aid and is reflected through the Statement of Comprehensive Net Expenditure Reserve.

1.11 Investments

The Charitable Trust Funds investments have been consolidated.

1.12 Research and Development expenditure

Following the introduction of the 2010 European System of Accounts (ESA10), from 2016-17, there has been a change in the budgeting treatment (a change from the revenue budget to the capital budget) of research and development (R&D) expenditure. As a result, additional disclosures are included in the notes to the accounts.

1.13 Other expenses

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

1.14 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.

1.15 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The Trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in calculating the Trust's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated. Leased land may be either an operating lease or a finance lease depending on the conditions in the lease agreement and following the general guidance set out in IAS 17. Leased buildings are assessed as to whether they are operating or finance leases.

The Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the 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 Trust's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.16 Private Finance Initiative (PFI) transactions

The Trust has had no PFI transactions during the current or prior year.

1.17 Financial instruments

- **Financial assets**

Financial assets are recognised on the Statement of Financial Position when the 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 introduces the requirement to consider the expected credit loss model on financial assets. The measurement of the loss allowance depends upon the 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.

- **Financial liabilities**

Financial liabilities are recognised on the Statement of Financial Position when the 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 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.

- **Currency risk**

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

- **Interest rate risk**

The Trust has limited powers to borrow or invest and therefore has low exposure to interest rate fluctuations.

- **Credit risk**

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk.

- **Liquidity risk**

Since the Trust receives the majority of its funding through its principal Commissioner which is voted through the Assembly, it is not exposed to significant liquidity risks.

1.18 Provisions

In accordance with IAS 37, provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the 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 DoF-issued discount rates as at 31 March 2020 as follows:

Rate	Time period	Real rate
Nominal	Short term (0 – 5 years)	0.51%
	Medium term (5 – 10 years)	0.55%
	Long term (10 - 40 years)	1.99%
	Very long term (40+ years)	1.99%
Inflationary	Year 1	1.90%
	Year 2	2.00%
	Into perpetuity	2.00%

Treasury, under Public Expenditure System (PES) issued a combined nominal and inflation rate table to incorporate the two elements as issued with circular HSC(F) 37-2019.

The discount rate to be applied for employee early departure obligations is -0.5% with effect from 31 March 2020.

The Trust has also disclosed the carrying amount at the beginning and end of the period, additional provisions made, amounts used during the period, unused amounts reversed during the period and increases in the discounted amount arising from the passage of time and the effect of any change in the discount rate.

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.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

1.19 Contingent liabilities/assets

In addition to contingent liabilities disclosed in accordance with IAS 37, the 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 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 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 Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

1.20 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. This cost has been estimated using average staff numbers and costs applied to the average untaken leave balance estimated from the data collected from surveys each year end to estimate untaken leave as at 31 March 2020. Untaken flexi leave is estimated to be immaterial to the Trust and has not been included.

Retirement benefit costs

The Trust participates in the HSC Pension 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 DoH. The 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 Trust and charged to the Statement of Comprehensive Net Expenditure at the time the Trust commits itself to the retirement.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding 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 2016 valuation for the HSC Pension scheme updated to reflect current financial conditions (and a change in financial assumption methodology) will be used in 2019-20 accounts.

1.21 Reserves

Statement of Comprehensive Net Expenditure Reserve

Accumulated surpluses are accounted for in the Statement of Comprehensive Net Expenditure Reserve.

Revaluation Reserve

The Revaluation Reserve reflects the unrealised balance of cumulative indexation and revaluation adjustments to assets other than donated assets.

1.22 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.

1.23 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. Details of third party assets are given in Note 22 to the accounts.

1.24 Government Grants

The note to the financial statements distinguishes between grants from UK government entities and grants from European Union.

1.25 Losses and Special Payments

Losses and special payments are items that the Assembly would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had HSC Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

1.26 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 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 Trust as intended by the benefactor. It is for the Endowments and Gifts Committee within the Trust to manage the internal disbursements. The committee ensures that charitable donations received by the 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 Trust's Standing Financial Instructions, Departmental guidance and legislation.

1.27 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.

IFRS 16 *Leases* replaces IAS 17 *Leases* and is effective with EU adoption from 1 January 2019. In line with the latest advice from HM Treasury and the Financial Reporting Advisory Board, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2021.

Management consideration of the impact on introduction of IFRS 16 on initial application remains under consideration and will be fully determined in 2020-21.

The IASB issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards were effective with EU adoption from 1 January 2014.

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2021-22, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may change as a result of the new Standards.

Management consider that any other new accounting policies issued but not yet adopted are unlikely to have a significant impact on the accounts in the period of the initial application.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

<u>Directorate</u>	2020			2019 Restated		
	Staff Costs £000s	Other Expenditure £000s	Total Expenditure £000s	Staff Costs £000s	Other Expenditure £000s	Total Expenditure £000s
Children's Services	70,461	24,096	94,557	62,129	23,453	85,582
Acute Hospital Services	231,489	76,986	308,475	205,350	76,942	282,292
Older People's Services	90,515	73,144	163,659	78,052	67,227	145,279
Mental Health and Disability Services	76,255	83,570	159,825	66,755	78,217	144,972
Supporting Directorates	31,123	15,695	46,818	27,790	14,512	42,302
Expenditure for Reportable Segments net of Non Cash Expenditure	499,843	273,491	773,334	440,076	260,351	700,427
Non Cash Expenditure			36,113			15,123
Total Expenditure per Net Expenditure Account			809,447			715,550
Income Per Net Expenditure Account			45,041			42,320
Net Expenditure			764,406			673,230
Revenue Resource Limit			764,449			673,273
Surplus against RRL			43			43

The 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 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. The information disclosed reflects the realignment of the Nursing Directorate that took place in 2019-20 and prior year figures have been updated to reflect this.

Service costs are allocated to each of the individual Directorates based on similarity of the nature of the service provided.

Acute Directorate

- Cancer and clinical services (includes Laboratory & Radiology Services)
- Surgery and Elective Care
- Medicines and Unscheduled Care
- Integrated maternity and Women's Health

- Functional Support Services (includes all hotel services, health records, laundry and decontamination services)
- Pharmacy

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, Kilkeel and Crossmaglen Health Centres and Armagh Community Hospital.

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 are provided at the Bluestone Unit, Craigavon and at St Luke's Hospital, Armagh
- Longstone Hospital for Learning Disability patients
- Nursing & residential home, domiciliary, respite and day care services as well as support to tenants who reside in supporting people accommodation
- Trust Transport services

Older People and Primary Care Services

- Domiciliary care, residential and nursing care and dementia support
- Acute Care at Home – providing an invaluable service for our elderly population and supporting their care at home rather than in an acute setting
- District nursing and allied health professionals supporting the elderly population
- Specialist services such as family planning, continence and GP out of hours and minor injuries units and all aspects of supporting people in the community
- Partnership working with Voluntary and community organisations incorporating grant aid payments and community support

Children and Young People 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

Supporting Directorates

- Office of the Chief Executive, including Trustwide Communication Team
- Finance, Procurement & Estates Directorate
- Human Resource Directorate, (including Occupational Health)
- Performance & Reform (IT, Corporate Planning and Performance Improvement)

- Medical Directorate (Governance Patient/Client Safety, Medical Management, Clinical Audit and Emergency Planning)
- Research & Development expenditure
- Nursing Directorate expenditure is aligned with this segment with effect from year ended 31 March 2020. The prior year's disclosure has been restated to reflect this.

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 2020

NOTE 3 Operating Expenses

	2020			2019		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Operating Expenses are as follows:-						
Wages and Salaries	400,452	-	400,452	364,160	-	364,160
Social Security Costs	30,466	-	30,466	28,577	-	28,577
Other Pension Costs	68,925	-	68,925	47,339	-	47,339
Purchase of care from non-HPSS bodies	117,359	-	117,359	109,957	-	109,957
Personal social services	35,013	-	35,013	30,384	-	30,384
Recharges from other HSC organisations	2,069	-	2,069	2,048	-	2,048
Supplies and services - Clinical	58,734	-	58,734	56,829	-	56,829
Supplies and services - General	6,571	-	6,571	6,563	-	6,563
Establishment	11,639	-	11,639	11,888	-	11,888
Transport	3,711	-	3,711	3,483	-	3,483
Premises	26,286	-	26,286	26,416	-	26,416
Bad debts	100	-	100	181	-	181
Rentals under operating leases	1,489	-	1,489	1,553	-	1,553
Interest charges	8	-	8	37	-	37
Research and Development expenditure	133	-	133	95	-	95
BSO services	5,253	-	5,253	4,793	-	4,793
Training	1,391	-	1,391	1,414	-	1,414
Professional fees	88	43	131	216	40	256
Patients travelling expenses	135	-	135	430	-	430
Costs of exit packages not provided for	-	-	-	15	-	15
Other charitable expenditure	-	355	355	-	311	311
Miscellaneous expenditure	3,512	-	3,512	4,049	-	4,049

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 3 Operating Expenses (continued)

	2020			2019		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Non-cash items						
Depreciation	20,109	-	20,109	19,793	-	19,793
Amortisation	2,050	-	2,050	1,940	-	1,940
Impairments	(4,203)	-	(4,203)	(1,476)	-	(1,476)
(Profit) on disposal of property, plant & equipment (excluding profit on land)	-	-	-	(216)	-	(216)
Loss on disposal of property, plant & equipment (including land)	6	-	6	-	-	-
Provisions provided for in year	18,014	-	18,014	(4,762)	-	(4,762)
Cost of borrowing of provisions (unwinding of discount on provisions)	94	-	94	(200)	-	(200)
Auditors remuneration	43	5	48	44	5	49
Add back of notional charitable expenditure	-	(5)	(5)	-	(5)	(5)
Total	809,447	398	809,845	715,550	351	715,901

During the year the Trust purchased no non audit services from its external auditor.

Further detailed analysis of staff costs is located in the Staff Report on page 89 within the Accountability Report.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**NOTE 4 INCOME**

	2020			2019		
	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	157	-	157	191	-	191
HSC Trusts	256	-	256	315	-	315
Non-HSC:- Private patients	276	-	276	97	-	97
Non-HSC:- Other	1,842	-	1,842	1,878	-	1,878
Clients contributions	32,763	-	32,763	31,014	-	31,014
Seconded Staff	356	-	356	193	-	193
Revenue from non-patient services	4,991	-	4,991	4,699	-	4,699
Total	40,641	-	40,641	38,387	-	38,387
4.2 Other Operating Income						
Other income from non-patient services	3,772	-	3,772	3,534	-	3,534
Charitable and other contributions to expenditure by core trust	-	-	-	2	-	2
Donations / Government grant / Lottery funding for non-current assets	124	-	124	47	-	47
Charitable Income received by charitable trust fund	-	224	224	-	342	342
Finance Income	31	125	156	-	119	119
Research & Development	277	-	277	186	-	186
Research & Development income released	196	-	196	164	-	164
Total	4,400	349	4,749	3,933	461	4,394
TOTAL INCOME	45,041	349	45,390	42,320	461	42,781

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 5.1 Consolidated Property, Plant & Equipment Year Ended 31 March 2020

	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 2019	32,590	278,265	14,430	1,464	55,240	7,339	30,168	1,155	420,651
Indexation	-	-	-	-	884	94	-	2	980
Additions	-	5,164	-	24	3,799	569	1,997	36	11,589
Donations / Government grant / Lottery funding	-	87	-	-	37	-	-	-	124
Reclassifications	-	1,422	-	(1,464)	8	-	(220)	-	(254)
Transfers (Note 10)	-	-	-	-	-	-	-	-	-
Revaluation	2,244	(34,932)	(1,378)	(24)	-	-	-	-	(34,090)
Impairment charged to the SoCNE	(576)	(110)	-	-	(91)	(10)	2	-	(785)
Impairment charged to the revaluation reserve	(653)	(592)	(126)	-	(23)	-	-	-	(1,394)
Reversal of impairments	1,516	3,442	28	-	-	-	-	-	4,986
Disposals	-	-	-	-	(6,821)	(470)	(10,179)	-	(17,470)
At 31 March 2020	35,121	252,746	12,954	-	53,033	7,522	21,768	1,193	384,337
Depreciation									
At 1 April 2019	-	41,199	1,856	-	36,457	5,270	17,183	943	102,908
Indexation	-	-	-	-	612	71	-	-	683
Reclassifications	-	3	-	(3)	-	-	(13)	-	(13)
Transfers (Note 10)	-	-	-	-	-	-	-	-	-
Revaluation	-	(50,620)	(2,227)	-	-	-	-	-	(52,847)
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexation)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(6,608)	(470)	(10,179)	-	(17,257)
Provided during the year	-	11,114	442	3	3,909	596	4,014	31	20,109
At 31 March 2020	-	1,696	71	-	34,370	5,467	11,005	974	53,583
Carrying Amount									
At 31 March 2020	35,121	251,050	12,883	-	18,663	2,055	10,763	219	330,754
At 31 March 2019	32,590	237,066	12,574	1,464	18,783	2,069	12,985	212	317,743
Asset financing									
Owned	35,121	251,050	12,883	-	18,663	2,055	10,763	219	330,754
Carrying Amount									
At 31 March 2020	35,121	251,050	12,883	-	18,663	2,055	10,763	219	330,754

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**NOTE 5.1 (Continued) Consolidated Property, Plant & Equipment Year Ended 31 March 2020**

	£000s
Of which:	
Trust	330,754
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 £Nil (2019:Nil).

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

	2020 £000s	2019 £000s
Donations	124	47

Professional revaluations of land and buildings are undertaken by Land and Property Services (LPS) at least once in every five year period and are revalued annually, between professional valuations, using indices provided by LPS. The last valuation was carried out on 31 January 2020. LPS confirmed that the land and building valuations at 31 January 2020 remain appropriate at year end.

As a result of the recent and ongoing COVID-19 pandemic events, and in line with current RICS guidance, LPS have advised that *market evidence gathered as part of the recent 5-yearly valuation has attached to it, due to the worldwide impact of the pandemic, an increased level of uncertainty in terms of informing opinions of value.* Whilst at this stage there is no evidence of impairment as at year-end, the future impact of COVID-19 on land and building values cannot yet be accurately assessed. Therefore, the need for further future valuations will remain under consideration, subject to resources.

See Accounting Policy note 1.3 for more details of valuation of Property, Plant & Equipment.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 5.2 Consolidated Property, Plant & Equipment Year Ended 31 March 2019

	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 2018	31,270	267,112	14,176	619	52,771	6,508	25,460	955	398,871
Indexation	674	5,636	378	-	617	102	-	16	7,423
Additions	-	2,687	-	2,875	4,198	729	4,947	183	15,619
Donations / Government grant / Lottery funding	-	-	-	-	47	-	-	-	47
Reclassifications	-	153	(153)	-	-	-	-	-	-
Transfers	(88)	(7)	-	-	-	-	-	-	(95)
Revaluation	-	24	-	-	-	-	-	-	24
Impairment charged to the SoCNE	-	715	-	(2,030)	(303)	-	(120)	-	(1,738)
Impairment charged to the revaluation reserve	(155)	(206)	-	-	(112)	-	-	-	(473)
Reversal of impairments (indexation)	889	2,151	29	-	6	-	-	1	3,076
Disposals	-	-	-	-	(1,984)	-	(119)	-	(2,103)
At 31 March 2019	32,590	278,265	14,430	1,464	55,240	7,339	30,168	1,155	420,651

Depreciation

At 1 April 2018	-	29,406	1,390	-	34,756	4,530	12,997	892	83,971
Indexation	-	787	46	-	422	79	-	13	1,347
Reclassifications	-	24	(24)	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	4	-	-	-	-	-	-	4
Impairment charged to the SoCNE	-	(267)	-	-	(202)	-	(52)	-	(521)
Impairment charged to the revaluation reserve	-	64	-	-	(74)	-	-	-	(10)
Reversal of impairments (indexation)	-	300	3	-	4	-	-	1	308
Disposals	-	-	-	-	(1,984)	-	-	-	(1,984)
Provided during the year	-	10,881	441	-	3,535	661	4,238	37	19,793
At 31 March 2019	-	41,199	1,856	-	36,457	5,270	17,183	943	102,908
Carrying Amount									
At 31 March 2019	32,590	237,066	12,574	1,464	18,783	2,069	12,985	212	317,743
At 1 April 2018	31,270	237,706	12,786	619	18,015	1,978	12,463	63	314,900

Asset financing

Owned	32,590	237,066	12,574	1,464	18,783	2,069	12,985	212	317,743
Carrying Amount									
At 31 March 2019	32,590	237,066	12,574	1,464	18,783	2,069	12,985	212	317,743

Asset financing

Owned	31,270	237,706	12,786	619	18,015	1,978	12,463	63	314,900
Carrying Amount									
At 1 April 2018	31,270	237,706	12,786	619	18,015	1,978	12,463	63	314,900

Carrying amount comprises:

Southern HSC Trust at 31 March 2019	32,590	237,066	12,574	1,464	18,783	2,069	12,985	212	317,743
Southern HSC trust charitable trust fund at 31 March 2019	-	-	-	-	-	-	-	-	-
	32,590	237,066	12,574	1,464	18,783	2,069	12,985	212	317,743
Southern HSC Trust at 31 March 2018	31,270	237,706	12,786	619	18,015	1,978	12,463	63	314,900
Southern HSC trust charitable trust fund at 31 March 2018	-	-	-	-	-	-	-	-	-
	31,270	237,706	12,786	619	18,015	1,978	12,463	63	314,900

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**NOTE 6.1 Consolidated Intangible Assets Year Ended 31 March 2020**

	Software Licenses	Other	Total
	£000s	£000s	£000s
Cost or Valuation			
At 1 April 2019	12,249	-	12,249
Indexation	-	-	-
Additions	1,229	-	1,229
Donations / Government grant / Lottery funding	-	-	-
Reclassifications	254	-	254
Disposals	(2,015)	-	(2,015)
	11,717	-	11,717
Amortisation			
At 1 April 2019	6,757	-	6,757
Reclassifications	13	-	13
Disposals	(2,015)	-	(2,015)
Provided during the year	2,050	-	2,050
	6,805	-	6,805
Carrying Amount			
At 31 March 2020	4,912	-	4,912
At 31 March 2019	5,492	-	5,492
Asset financing			
Owned	4,912	-	4,912
Carrying Amount			
At 31 March 2020	4,912	-	4,912

There were no assets funded by Donations/Government Grant or Lottery Funding during the year (2018-19: £Nil).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**NOTE 6.2 Consolidated Intangible Assets Year Ended 31 March 2019**

	Software Licenses	Other	Total
	£000s	£000s	£000s
Cost or Valuation			
At 1 April 2018	10,258	-	10,258
Indexation	-	-	-
Additions	1,991	-	1,991
Donations / Government grant / Lottery funding	-	-	-
Disposals	-	-	-
	12,249	-	12,249
Amortisation			
At 1 April 2018	4,817	-	4,817
Reclassifications	-	-	-
Disposals	-	-	-
Provided during the year	1,940	-	1,940
	6,757	-	6,757
Carrying Amount			
At 31 March 2019	5,492	-	5,492
At 31 March 2018	5,441	-	5,441
Asset financing			
Owned	5,492	-	5,492
Carrying Amount			
At 31 March 2019	5,492	-	5,492
Carrying amount comprises:			
Southern HSC Trust at 31 March 2019	5,492	-	5,492
Southern HSC Trust charitable trust fund at 31 March 2019	-	-	-
	5,492	-	5,492
Southern HSC Trust at 31 March 2018	5,441	-	5,441
Southern HSC Trust charitable trust fund at 31 March 2018	-	-	-
	5,441	-	5,441

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**NOTE 7 FINANCIAL INSTRUMENTS**

As the cash requirements of the Southern HSC Trust are met through Grant-in-Aid provided by the Department of Health, 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 Trust is therefore exposed to little credit, liquidity or market risk.

	2020			2019		
	Non-Current Assets	Assets	Liabilities	Non-Current Assets	Assets	Liabilities
	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April	3,293	-	-	3,011	-	-
Additions	-	-	-	100	-	-
Disposals	-	-	-	-	-	-
Revaluations	(183)	-	-	182	-	-
Balance at 31 March	3,110	-	-	3,293	-	-
Trust	-	-	-	-	-	-
Charitable Trust Fund	3,110	-	-	3,293	-	-
	3,110	-	-	3,293	-	-

NOTE 8 MARKET VALUE OF INVESTMENTS**NOTE 8.1 Market value of investments as at 31 March 2020**

	Held in	Held outside	2020	2019
	UK	UK	Total	Total
	£000s	£000s	£000s	£000s
Investments in a Common Deposit Fund or Investment Fund	3,110	-	3,110	3,293
Total market value of Fixed asset investments	3,110	-	3,110	3,293

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**NOTE8 (continued) MARKET VALUE OF INVESTMENTS****NOTE 8.2 Analysis of expected timing of discounted flows**

	2020			2019		
	Non-Current Assets £000s	Assets £000s	Liabilities £000s	Non-Current Assets £000s	Assets £000s	Liabilities £000s
Later than one year and not later than five years	3,110	-	-	3,293	-	-
	3,110	-	-	3,293	-	-

Investments

The Northern Ireland Central Investment Fund for Charities (NICIFC) continues to hold funds invested on behalf of the SHSCT Trust Funds. The net market value of funds invested with the NICIFC at 31 March 2020 was £3,110k.

The investments incurred a loss in value of £183k in 2019-20 when compared to a gain of £182k in the prior year. The unrealised loss on the investment is in line with wider market performance, although less affected than the FTSE100 portfolio which experienced an overall loss in value of 18.8%. The market value remains well in excess of the investment's historic cost of £2,023k.

The prevailing economic conditions have experienced a sharp downturn over the last quarter of the reporting period in response to the uncertainty around the COVID-19 pandemic. The Investment Portfolio has limited exposure to areas directly affected by the COVID-19 situation such as aircraft and tourism, with a focus on healthcare, technology and utilities which are anticipated to remain relatively stable. However, there is likely to be ongoing uncertainty and potential market volatility due to COVID-19 and the EU Exit through 2020-21.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 9 IMPAIRMENTS

	2020		
	Property, Plant & Equipment	Intangibles	Total
	£000s	£000s	£000s
Impairments (credited) to Statement of Comprehensive Net Expenditure	(4,203)	-	(4,203)
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	1,394	-	1,394
Total value of impairments for the period	(2,809)	-	(2,809)
	2019		
	Property, Plant & Equipment	Intangibles	Total
	£000s	£000s	£000s
Impairments (credited) to Statement of Comprehensive Net Expenditure	(1,476)	-	(1,476)
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	463	-	463
Total value of impairments for the period	(1,013)	-	(1,013)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 10 ASSETS CLASSIFIED AS HELD FOR SALE

	Land		Buildings		Total	
	2020	2019	2020	2019	2020	2019
	£000s	£000s	£000s	£000s	£000s	£000s
Opening Balance At 1 April	88	-	6	649	94	649
Transfers in (Note 5)	-	88	-	7	-	95
Transfers out (Note 5)	-	-	-	-	-	-
(Disposals)	(88)	-	(6)	(575)	(94)	(575)
Impairment	-	-	-	(75)	-	(75)
Carrying Amount At 31 March	-	88	-	6	-	94

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 11 INVENTORIES

Classification	2020			2019		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Pharmacy supplies	3,767	-	3,767	2,556	-	2,556
Building & engineering supplies	121	-	121	117	-	117
Fuel	174	-	174	200	-	200
Community care appliances	345	-	345	309	-	309
Laboratory materials	425	-	425	347	-	347
Laundry	98	-	98	101	-	101
Other	1,031	-	1,031	957	-	957
Total	5,961	-	5,961	4,587	-	4,587

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**NOTE 12 CASH AND CASH EQUIVALENTS**

	2020			2019		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Balance at 1st April	2,031	388	2,419	1,173	257	1,430
Net change in cash and cash equivalents	2,888	(41)	2,847	858	131	989
Balance at 31st March	4,919	347	5,266	2,031	388	2,419

The following balances at 31 March were held at

	2020			2019		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Commercial banks and cash in hand	4,919	347	5,266	2,031	388	2,419
Balance at 31st March	4,919	347	5,266	2,031	388	2,419

NOTE 12.1 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Southern HSC does not have any liabilities arising from financing activities in either 2019-20 or 2018-19.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 13 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2020				2019			
	Trust £000s	CTF £000s	Consolidation Adjustments £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidation Adjustments £000s	Consolidated £000s
Amounts falling due within one year								
Trade receivables	10,712	-	-	10,712	9,946	-	-	9,946
VAT receivable	4,839	-	-	4,839	4,920	-	-	4,920
Other receivables - not relating to fixed assets	516	65	(106)	475	461	67	(44)	484
Other receivables – relating to property, plant and equipment	58	-	-	58	-	-	-	-
Trade and other receivables	16,125	65	(106)	16,084	15,327	67	(44)	15,350
Prepayments	2,622	7	-	2,629	2,455	-	-	2,455
Accrued income	143	56	-	199	496	15	-	511
Other current assets	2,765	63	-	2,828	2,951	15	-	2,966

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 13 (continued) TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	Trust	CTF	2020 Consolidation Adjustments	Consolidated	Trust	CTF	2019 Consolidation Adjustments	Consolidated
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Amounts falling due after more than one year								
Trade receivables	2,157	-	-	2,157	1,849	-	-	1,849
Trade and other receivables	2,157	-	-	2,157	1,849	-	-	1,849
TOTAL TRADE AND OTHER RECEIVABLES	18,282	65	(106)	18,241	17,176	67	(44)	17,199
TOTAL OTHER CURRENT ASSETS	2,765	63	-	2,828	2,951	15	-	2,966
TOTAL RECEIVABLES AND OTHER CURRENT ASSETS	21,047	128	(106)	21,069	20,127	82	(44)	20,165

The balances are net of a provision for bad debts of £4,623k (2019: £4,771k).

The Southern HSC Trust did not have any intangible current assets at 31 March 2020 or at 31 March 2019.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 14 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

14.1 Trade Payables and Other Current Liabilities

	2020				2019			
	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	24,377	-	-	24,377	13,864	-	-	13,864
Trade Capital payables - property, plant and equipment	5,484	-	-	5,484	5,477	-	-	5,477
Trade Capital payables – intangibles	668	-	-	668	892	-	-	892
Trade revenue payables	18,871	-	-	18,871	19,259	-	-	19,259
Payroll payables	21,576	-	-	21,576	20,127	-	-	20,127
Clinical negligence payables	345	-	-	345	305	-	-	305
BSO payables	1,067	-	-	1,067	612	-	-	612
Other payables	1,563	127	(106)	1,584	989	73	(44)	1,018
Accruals	8,565	-	-	8,565	8,883	-	-	8,883
Deferred income	111	-	-	111	196	-	-	196
Current trade and other payables	82,627	127	(106)	82,648	70,604	73	(44)	70,633

14.2 Trade Payables and Other Current Liabilities

The Southern HSC Trust did not have any loans payable at 31 March 2020 or at 31 March 2019.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**NOTE 15 PROVISIONS FOR LIABILITIES AND CHARGES – 2020**

	Pensions relating to former directors	Pensions relating to other staff	Clinical negligence	Other	2020 Total
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2019	240	2,821	50,482	2,568	56,111
Provided in year	17	179	20,758	1,033	21,987
(Provisions not required written back)	-	-	(3,941)	(32)	(3,973)
(Provisions utilised in the year)	(16)	(191)	(5,769)	(415)	(6,391)
Cost of borrowing (unwinding of discount)	1	8	78	7	94
At 31 March 2020	242	2,817	61,608	3,161	67,828

Provisions have been made for 6 types of potential liability: Clinical Negligence, Employer's and Occupier's Liability, Early Retirement, Injury Benefit, Employment Law and Agenda for Change. The provision for Early Retirement and 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 based on professional legal advice.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**NOTE 15 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2020**

Comprehensive Net Expenditure Account charges	2020 £000s	2019 £000s
Arising during the year	21,987	11,360
Reversed unused	(3,973)	(16,122)
Cost of borrowing (unwinding of discount)	94	(200)
Total charge within Operating expenses	18,108	(4,962)

Analysis of expected timing of discounted flows

	Pensions relating to former directors	Pensions relating to other staff	Clinical negligence	Other	2020 Total
	£000s	£000s	£000s	£000s	£000s
Not later than one year	16	190	11,943	547	12,696
Later than one year and not later than five years	62	752	16,435	534	17,783
Later than five years	164	1,875	33,230	2,080	37,349
At 31 March 2020	242	2,817	61,608	3,161	67,828

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 15 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2019

	Pensions relating to former directors	Pensions relating to other staff	Clinical negligence	Other	2019 Total
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2018	264	3,166	57,895	2,885	64,210
Provided in year	-	-	10,946	414	11,360
(Provisions not required written back)	(9)	(160)	(15,652)	(301)	(16,122)
(Provisions utilised in the year)	(15)	(188)	(2,504)	(430)	(3,137)
Cost of borrowing (unwinding of discount)	-	3	(203)	-	(200)
At 31 March 2019	240	2,821	50,482	2,568	56,111

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**NOTE 15 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2019****Analysis of expected timing of discounted flows**

	Pensions relating to former directors	Pensions relating to other staff	Clinical negligence	Other	2019 Total
	£000s	£000s	£000s	£000s	£000s
Not later than one year	15	189	12,337	254	12,795
Later than one year and not later than five years	62	761	14,342	523	15,688
Later than five years	163	1,871	23,803	1,791	27,628
At 31 March 2019	240	2,821	50,482	2,568	56,111

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**NOTE 16 CAPITAL COMMITMENTS**

	2020 £000s	2019 £000s
Contracted capital commitments at 31 March not otherwise included in these financial statements		
Property, Plant & Equipment	1,703	457
	1,703	457

NOTE 17 COMMITMENTS UNDER LEASES**Note 17.1 Operating Leases**

Total future minimum lease payments under non-cancellable operating leases are given in the table below for each of the following periods.

	2020 £000s	2019 £000s
Obligations under operating leases comprise		
Land & Buildings		
Not later than 1 year	243	255
Later than 1 year and not later than 5 years	22	26
Later than 5 years	-	-
	265	281
Other		
Not later than 1 year	1,752	2,083
Later than 1 year and not later than 5 years	2,837	1,478
Later than 5 years	0	-
	4,589	3,561

Note 17.2 Finance Leases

The Southern HSC Trust did not have any finance leases at 31 March 2020 or at 31 March 2019.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**NOTE 17 (continued) COMMITMENTS UNDER LEASES****Note 17.3 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 Trust comprise:

	2020 £000s	2019 £000s
Land and Buildings		
Not later than 1 year	161	132
Later than 1 year and not later than 5 years	115	114
Later than 5 years	29	85
	305	331

NOTE 18 COMMITMENTS UNDER PFI AND OTHER SERVICE CONCESSION ARRANGEMENT CONTRACTS**18.1 Off balance sheet PFI and other service concession arrangements.**

The Trust has no off balance sheet (SoFP) PFI and other service concession arrangement schemes.

18.2 On balance sheet (SoFP) PFI Schemes

The Trust has no on balance sheet (SoFP) PFI and other service concession arrangements schemes.

18.3 Charge to the Statement of Comprehensive Net Expenditure account and future commitments

As the Trust has no commitments there is no charge to the Statement of Comprehensive Net Expenditure account.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**NOTE 19 OTHER FINANCIAL COMMITMENTS**

The Southern HSC Trust did not have any other financial commitments at either 31 March 2020 or 31 March 2019.

NOTE 20 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

	2020 £000s	2019 £000s
Clinical negligence	2,293	2,314
Public Liability	150	186
Total	2,443	2,500

Change in Discount Rate

The Department of Justice has power to set the personal injury discount rate for Northern Ireland in consultation with the Government Actuary and the Department of Finance. The rate is currently 2.5%. However, the Department has consulted the statutory consultees on a proposed change to the rate to -1.75%. Once their responses are received, the Minister will consider these and make a final decision. As a final decision on this consultation remains outstanding at this time, significant uncertainty remains around the timing and the financial effect. Therefore it is not currently possible to quantify the potential impact on the Southern HSC Trust of any change in discount rate.

In Northern Ireland the discount rate currently has to be set in accordance with legal principles set out by the House of Lords in *Wells v Wells*. However, the Department also proposes to take forward a consultation on changing how the rate is set. Both England and Wales and Scotland have already made primary legislation which changed how their discount rates are set and have reviewed their rates under these new legislative frameworks.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 20 (continued) CONTINGENT LIABILITIES

Employment Issues

The Trust is aware of a number of legal cases and appeals across the UK which are testing employment issues, for example payment of allowances or enhancements while on sick or annual leave and rate of payment for sleep in duties. The Trust is working regionally with the Department of Health and Trade Union representatives to ascertain the impacts which these cases may have but are not in a position at this stage to quantify the liability and will keep the outcomes of these cases and their appeals under close review.

The Trust is also aware of a number of legal cases which may arise in respect of the HMRC Widening Access Training Scheme. The Trust is working closely with the Tribunal to ascertain the impact which these cases may have but are not in a position at this stage to quantify the liability (if any) and will keep the outcomes of these cases under close review.

Court of Appeal judgement on backdated PSNI Holiday Pay

On 17 June 2019, the Court of Appeal ruled in respect of Northern Ireland Industrial Tribunal's November 2018 decision on cases taken against the PSNI on backdated Holiday Pay. The Supreme Court is currently considering whether to hear an appeal of this decision. This is an extremely rare and complex case with a significant number of issues that still need to be worked through and HSC implications determined and resolved, including further legal advice with regards to the impact of the judgement; the scope; timescales; process of appeals and engagement with Trade Unions. The legal issues arising from this judgement and the implications for the HSC sector will need further extensive consideration. Until there is further clarity on the specifics, based on the inherent uncertainties in the final decision that will be made from an HSC perspective, and the fact that there is currently neither legally nor constructively an obligation for the HSC, a possible obligation exists and a reliable estimate cannot be provided at this time, until the HSC implications are fully explored and concluded.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 20 (continued) CONTINGENT LIABILITIES

NOTE 20.1 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 2020 or 31 March 2019.

NOTE 21 RELATED PARTY TRANSACTIONS

The Southern HSC Trust is an Arm's length body of the Department of Health 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 £764,449k (2019: £673,273k) of which the Non Cash Revenue Resource Limit is £36,113k (2019: £15,123k)

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 Trust's Register of Interests. Where an interest is disclosed, the related party is not involved directly in the award of a contract with the related organisation.

The interests declared and the value of the related party transactions was as follows:

Mrs Pauline Leeson, Chief Executive of Children in Northern Ireland. The value of transactions between related parties was £66,458.69 (8 transactions) in respect of a Development Officer Post which supports the Locality Planning Groups linked to the Southern Outcome. Balance outstanding at year end was £Nil.

The related party transactions in 2018-19 amounted to £93,978.36 (9 transactions).

The Trust Funds have made revenue and capital payments to the Southern HSC Trust where the Trustees are also members of the Trust Board. In 19-20, the Trust Funds paid £73,089 (18-19: £45,261) to the Southern HSC Trust and owed £106,044 (18-19: £43,900) to the Southern HSC Trust as at 31 March 2020. The Trust Funds received £nil (18-19: £64,324) from the Southern HSC Trust during 19-20 and was owed £Nil (18-19: £nil) from the Southern HSC Trust.

NOTE 22 THIRD PARTY ASSETS

The Southern HSC Trust held £9,735K cash at bank and in hand at 31 March 2020 (31 March 2019: £9,117k) which relates to monies held by the Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts. A separate audited account of these monies is maintained by the Trust.

NOTE 23 FINANCIAL PERFORMANCE TARGETS**NOTE 23.1 Revenue Resource Limit**

The Southern HSC Trust is given a Revenue Resource Limit which it is not permitted to overspend

The Revenue Resource Limit (RRL) for Southern HSC Trust is calculated as follows:

	2020	2019
	Total	Total
	£000s	£000s
HSCB	712,788	643,434
PHA	6,979	6,481
SUMDE & NIMDTA	8,181	7,800
Non cash RRL (from DoH)	36,113	15,123
Total agreed RRL	764,061	672,838
Adjustment for income received re Donations / Government grant / Lottery funding for non-current assets	(124)	(47)
Adjustment for Research and Development under ESA10	512	482
Total Revenue Resource Limit to Statement Comprehensive Net Expenditure	764,449	673,273

NOTE 23.2 Capital Resource Limit

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

	2020	2019
	Total	Total
	£000s	£000s
Gross capital expenditure	12,818	17,610
Prepayment for Capital Scheme	-	-
Release of Prior Year Prepayment for Capital Scheme (Receipts from sales of fixed assets up to NBV)	(301)	(575)
Net capital expenditure	12,517	17,035
Capital Resource Limit	13,726	17,536
Adjustment for Research and Development under ESA10	(512)	(482)
Underspend against CRL	(697)	(19)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**NOTE 23 (continued) FINANCIAL PERFORMANCE TARGETS****NOTE 23.3 Financial Performance Targets**

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 Revenue Resource Limit.

	2020 £000s	2019 £000s
Net Expenditure	(764,406)	(673,230)
RRL	764,449	673,273
Surplus against RRL	43	43
Break Even cumulative position(opening)	(1,786)	(1,829)
Break Even cumulative position (closing)	<u>(1,743)</u>	<u>(1,786)</u>

Materiality Test:

	2020 %	2019 %
Break Even in year position as % of RRL	<u>0.01%</u>	<u>0.01%</u>
Break Even cumulative position as % of RRL	<u>(0.23)%</u>	<u>(0.27)%</u>

The Southern HSC Trust reduced its cumulative overspend by achieving a small surplus in 2019-20. However, as the Trust continues to face a challenging financial position, it is unclear when the cumulative reported overspend will be recovered.

NOTE 24 POST BALANCE SHEET EVENTS

The COVID-19 pandemic has brought significant disruption to the health and social care system. In the Southern HSC Trust it has had a major impact on the services delivered and the costs incurred since the balance sheet date.

The Working Time (Coronavirus) (Amendment) Regulations (Northern Ireland) 2020 came into operation on 24 April 2020 and allows those workers who are unable to take annual leave as result of the pandemic to carry over up to four weeks' annual leave into the next two leave years. Any exemption will apply only to circumstances where workers are unable to take their leave as a result of the outbreak, and carry

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 24 (continued) POST BALANCE SHEET EVENTS

over of annual leave will be limited to the next two leave years. The change in regulations may lead to an increase in the value of accrued annual leave carried over in the next two years by Southern HSC Trust. It is not possible for the Southern HSC Trust to give a reasonable estimate of the impact at this time.

NOTE 25 DATE AUTHORISED FOR ISSUE

The Accounting Officer authorised these financial statements for issue on 10 July 2020.

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

YEAR ENDED 31 MARCH 2020

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

YEAR ENDED 31 MARCH 2020

STATEMENT OF TRUST'S RESPONSIBILITIES IN RELATION TO PATIENTS/RESIDENTS MONIES

Under the Health and Personal Social Services (Northern Ireland) Order 1972 (as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003, the Trust is required to prepare and submit accounts in such form as the Department may direct.

The Trust is also required to maintain proper and distinct accounting records and is responsible for safeguarding the monies held on behalf of patients/residents and for taking reasonable steps to prevent and detect fraud and other irregularities.

SOUTHERN HEALTH AND SOCIAL CARE TRUST - PATIENTS' AND RESIDENTS' MONIES

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

Opinion on account

I certify that I have audited Southern Health and Social Care Trust's account of monies held on behalf of patients and residents for the year ended 31 March 2020 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 2020 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 of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities 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 this certificate. My staff and I are independent of the Southern Health and Social Care Trust in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, 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

I have nothing to report in respect of the following matters in relation to which the ISAs(UK) require me to report to you where:

- the Southern Health and Social Care Trust's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Southern Health and Social Care Trust have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Southern Health and Social Care Trust's ability to continue to adopt the going concern basis.

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.

Auditor's responsibilities for the audit of the account

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 evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

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.

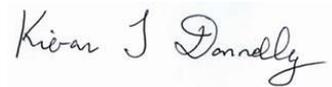
Matters on which I report by exception

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.

Report

I have no observations to make on this account.



KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU
10 July 2020

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

YEAR ENDED 31 MARCH 2020

Previous Year	<u>RECEIPTS</u>		
£	Balance at 1 April 2019	£	£
7,455,115	1. Investments (at cost)	7,480,105	
1,371,494	2. Cash at Bank	1,633,982	
<u>3,698</u>	3. Cash in Hand	<u>2,757</u>	9,116,844
8,830,307			
3,276,105	Amounts Received in the Year	3,222,369	
24,990	Interest Received	<u>62,585</u>	3,284,954
<u>12,131,402</u>	TOTAL		<u>12,401,798</u>

<u>PAYMENTS</u>			
3,014,558	Amounts paid to or on Behalf of Patients/Residents		2,666,603
Balance at 31 March 2020			
7,480,105	1. Investments (at Cost)	8,542,690	
1,633,982	2. Cash in Bank	1,189,315	
<u>2,757</u>	3. Cash in Hand	<u>3,190</u>	9,735,195
9,116,844			
<u>12,131,402</u>	TOTAL		<u>12,401,798</u>

Cost Price £	Schedule of investments held at 31 March 2020	Nominal Value £	Cost Price £
7,480,105	Bank of Ireland	8,542,690	8,542,690

I certify that the above account has been compiled from and is in accordance with the accounts and financial records maintained by the Trust.

Director of Finance: *Helen O'Neill*

Date: 30 June 2020

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

Chief Executive: 

Date: 30 June 2020