Southern Health and Social Care Trust

TOGETHER, IMPROVING CARE, TRANSFORMING LIVES

# ANNUAL REPORT AND ACCOUNTS

## 2025 -2026

Working together · Excellence · Openness & Honesty · Compassion

# Annual Report and Accounts

## For year ended 31 March 2026

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

03 July 2026

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## COMMENTS

If you have any comments about this report or would like extra copies, please telephone 028 3756 4600.

## DIFFERENT FORMATS

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# 1

# Performance Report

## Performance Overview

The purpose of the performance overview is to provide a brief summary of the Southern Health and Social Care Trust (Southern HSC Trust), its aims and risks it faces to the achievement of its objectives. It also provides an overview of the Southern HSC Trust's performance over the past year.

## Message from the Chair

Welcome to our Annual Report 2025-26.

It has been another exceptionally busy year for the Southern HSC Trust, and I start by recognising our devoted staff. The Southern HSC Trust employs around 15,000 people who deliver compassionate care every day, whether in someone's home, out in the community, or within acute care settings.

We extend our gratitude to patients, service users, and families for your ongoing support and understanding as we continue to navigate many challenges in health and social care.

As you will read, there are many inspiring stories throughout our services showcasing how the Southern HSC Trust colleagues enhance care and improve quality of life across Armagh, Dungannon, Craigavon, Banbridge, Newry, and Mourne.

You can find introductions to our Trust Board and Senior Leadership Teams on pages (53-60). My sincere thanks go to these senior colleagues for their continued engagement, leadership, and dedication to improving local health and social care.

Each year, generous donations are made to the Southern HSC Trust from people across our community. In 2025-26, we received a total of £359k in Charitable Trust Funds. Every contribution, no matter the size or source, is deeply appreciated and enables us to provide resources that would otherwise be beyond our means. Donations have funded for example, hospital equipment, craft activities at social education centres, and outings and lunches for older adults.

Throughout the year, we welcomed Health Minister Mike Nesbitt and members of the Northern Ireland Assembly's Committee for Health to visit our services, meet staff, and learn first-hand about their challenges and successes.

The Chief Executive, Senior Leadership Team and I regularly engage with local councils, elected representatives, and other partners in the community, voluntary, and statutory sectors. We are grateful for the partnership of these stakeholders and their valuable contributions to the well-being of our local population.

Our commitment remains steadfast in working with all Health and Social Care Trusts to secure the best outcomes for people across the region.

I am pleased to have been elected as Chair of the Committee in Common, one of the most important developments within the Northern Ireland health system in many years. While our system has always operated with a degree of informal collaboration, the Committee in Common enables Trusts to take collective decisions at scale while maintaining their individual statutory responsibilities.

By embracing a whole-system approach, we aim to optimise services, reduce variation, and promote equity. The Southern HSC Trust is proactively participating in this new model, which fosters structured, strategic collaboration and takes a modern approach to strengthening the long-term sustainability of health and social care, so that everyone benefits, wherever they live.

**Eileen Mullan, MBE, Chair**

## Message from the Interim Chief Executive

Having completed my first year with the Southern HSC Trust, I would like to express my sincere thanks to everyone for the warm welcome I have received.

It has been a pleasure getting to know our dedicated colleagues, learning about the excellent services provided to our population of over 390,000 people and working collaboratively with our teams and partners to tackle the challenges we face.

Like other Trusts in the region, the Southern HSC Trust faces challenges such as workforce shortages, financial pressures, and the increasing demand for services due to a growing population. We are very proud that we met our financial targets including making additional savings as requested by the Department of Health during the course of the year.

Despite these difficulties, we have celebrated many highlights and achievements. Our staff have received awards for best practice and excellence, with recognition at local, national, and international levels for innovation and research.

This year, we officially launched our ambitious five-year Vision and Strategy. Significant progress has already been made, as we continue to develop as a learning organisation, prioritising a community-first approach to delivering safe, high-quality care throughout the life journey.

We are proud to have contributed to one of the most significant digital health and social care transformations of our time with the Encompass go-live. The successful introduction of the digital patient record was made possible by the tremendous effort across the organisation. We remain committed to maximising the benefits of a paperless, integrated system, which enhances communication, efficiency, safety, and quality of care.

As we move into year two of our Vision and Strategy, our annual strategic plan sets out actions to modernise services, strive for financial balance, and broaden the use of digital technology.

Our plans align closely with the direction for Northern Ireland's health and care system, as outlined by the Department of Health's Reset Plan, which seeks to make better use of existing resources and shift services away from hospitals. The Southern HSC Trust is well placed to develop this neighbourhood model of care to develop sustainable, modern services.

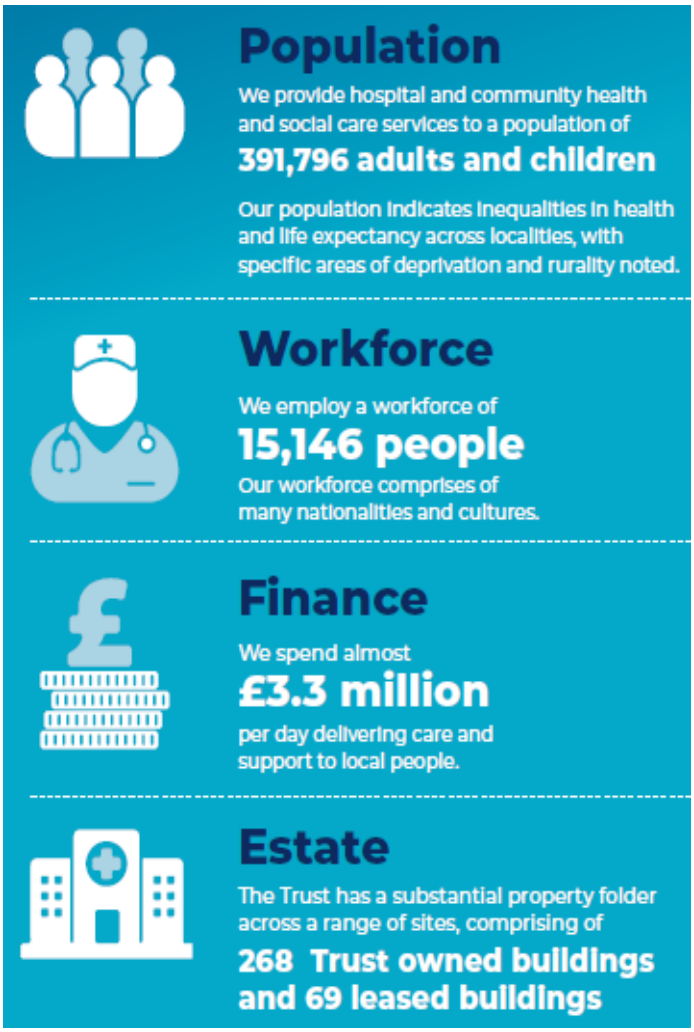
I would like to thank everyone who has worked with us over the past year. We look forward to continuing our partnership in 2026-27, adopting a collective leadership approach to improve care and transform the lives of those we serve.

**Steve Spoerry, Interim Chief Executive**

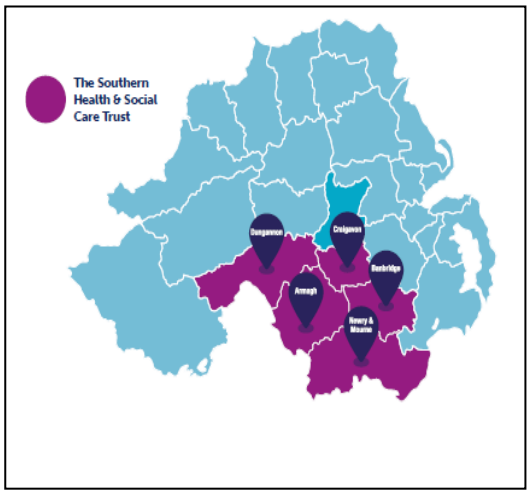
## Trust Purpose and Activities

The Southern HSC Trust is an integrated health and social care Trust.

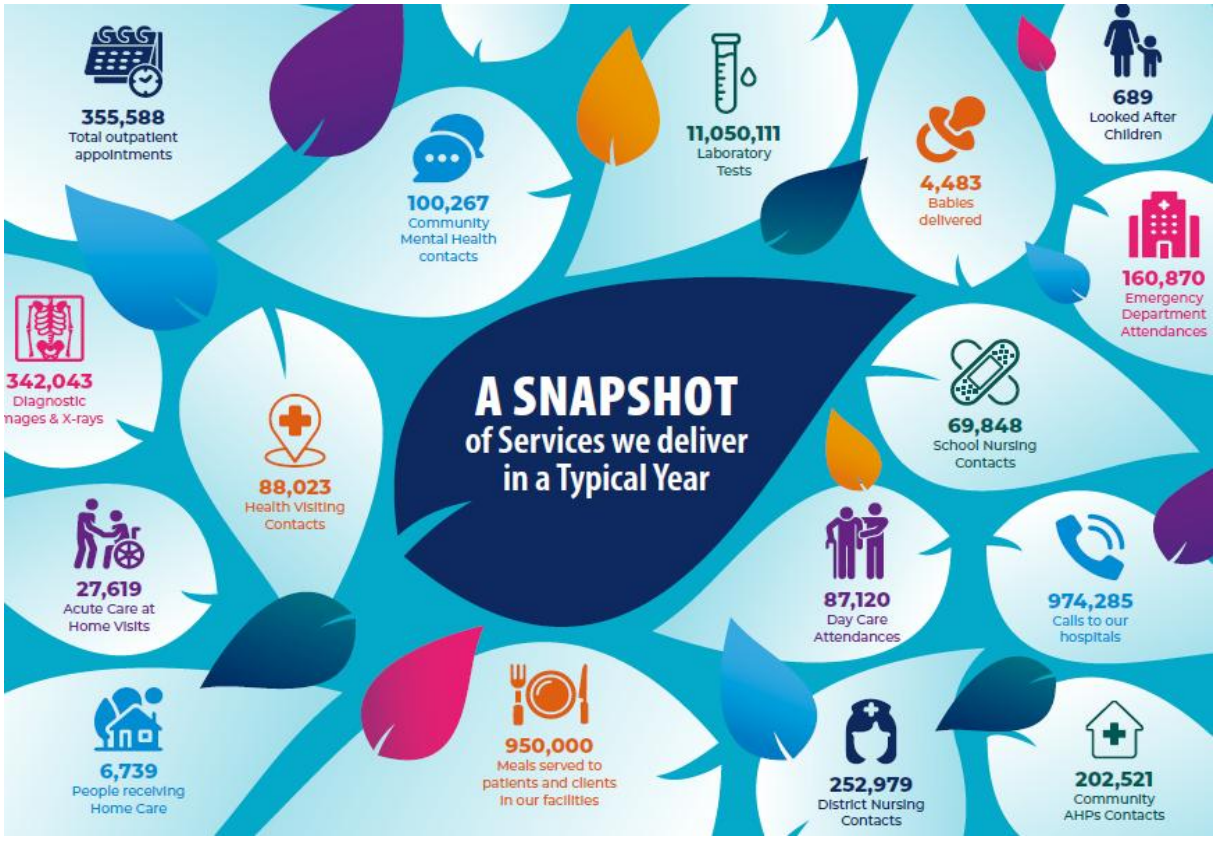
It's geography covers the council areas of Armagh City, Banbridge and Craigavon; parts of Newry, Mourne and Down, and Mid-Ulster. The Southern HSC Trust provides health and social care services to residents of these areas and to others who travel to the Southern HSC Trust to avail of a regionally provided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




*Source: Annual Strategic Plan 2025-26*




The services we provide include a wide range of hospital, community and primary care services. Main in-patient acute hospital services are located at Craigavon Area Hospital and Daisy Hill Hospital. Working in collaboration with GPs and other agencies, staff deliver locally based services in Southern HSC Trust premises, in people's own homes and in the community. The Southern HSC Trust purchases some services including domiciliary, residential and nursing care from independent and community/independent sector agencies.

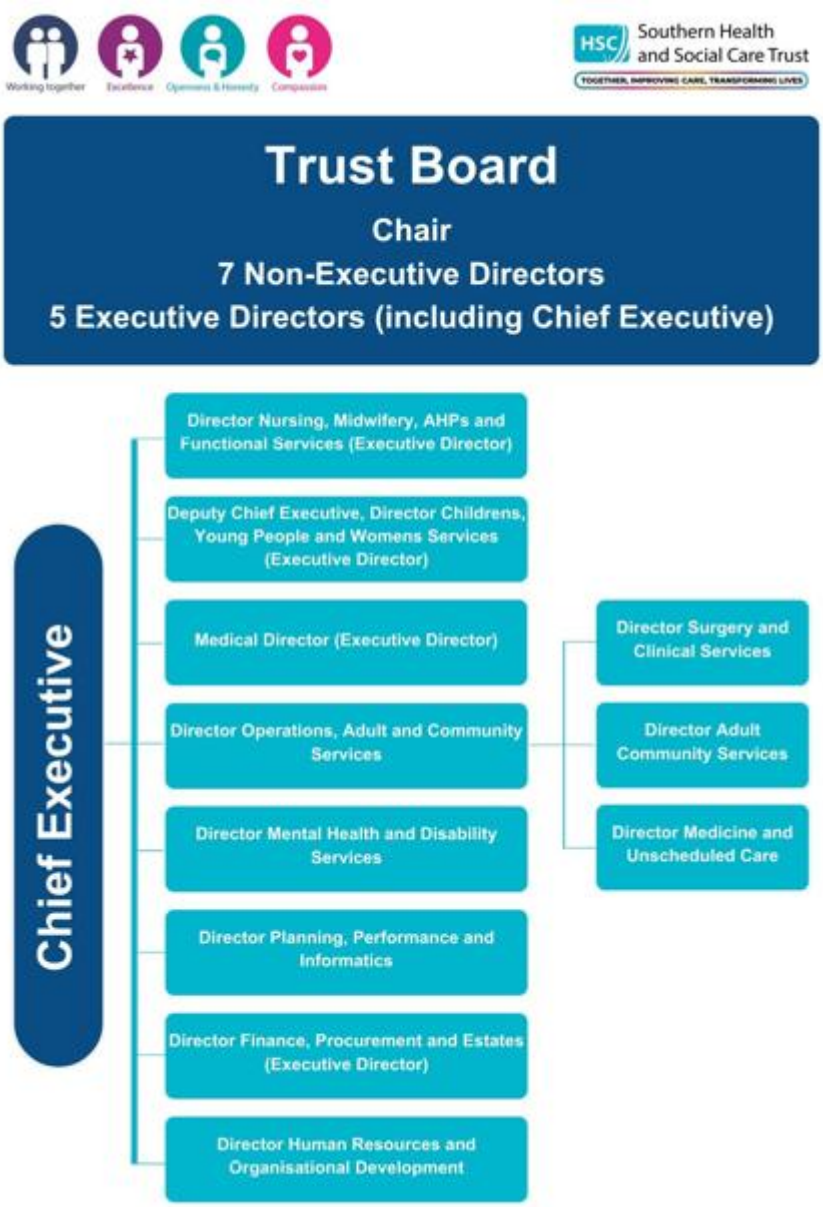



*Source: Annual Strategic Plan 2025-26*

## Our Vision Our Values

## Organisation Structure

The Southern HSC Trust is managed by way of a directorate structure, each led by a Director, providing an integrated healthcare service for the resident population. The Executive Directors and Directors along with Non-Executive Directors, Chair and Chief Executive form the Trust Board. The Trust Board is the decision-making body for the Southern HSC Trust, responsible for setting strategy and monitoring performance, ensuring that the Southern HSC Trust meets its statutory and regulatory duties and effectively manages risks. A number of changes occurred during the year to the directorate structure, including the movement of maternity and women's health services under the Directorate of Children and Young People's Services and the combination of the directorates of Surgery and Clinical Services, Medicine and Unscheduled care and Adult Community Services under the management of a new Director of Operations for Adult Community and Acute Services.



## Vision and Strategy 2030


**The Annual Strategic Plan for 2025-26 sets out Year 1 of the implementation of our 5 year Vision & Strategy 2030.** This Annual Plan will be the stepping-stone on our journey of improvement against our agreed five strategic priorities. The delivery of our strategy, like its development, will be a partnership between our staff, patients/service users, our external partner and local population.

This plan set out our key priority actions for delivery in 2025-26 as the first step in meeting our long- term strategic goals by 2030, set against each of our five strategic priorities:

- Collaborative Working
- Learning Organisation
- Safety, Quality & Experience
- Community First
- Whole-Life Approach

This plan was developed in collaboration across our Directorates and provides the basis for creating a culture of high quality, continuous improvement, compassionate care and support for our population and our staff.

## Strategic Risks

The Southern HSC Trust's integrated approach to planning, risk management, internal control and assurance continues to be underpinned by the Board Assurance Framework (BAF). During 2025-26, the Southern HSC Trust actively monitored a series of strategic risks that could impact delivery of the Southern HSC Trust's strategic priorities (Collaborative Working, Learning Organisation, Safety-Quality-Experience, Community First, and Whole Life Approach).

Drawing on Executive assessments and the Board's stated risk appetite, the key strategic risks for 2025-26 were as follows:

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

The Corporate Risk Register provides ongoing monitoring of these risks, and the controls in place ensured they were actively managed throughout 2025–26. While the risks continued to create operational pressure, none of them prevented progress against the Southern HSC Trust's strategic priorities. Some areas progressed more slowly due to wider system constraints, but overall the risks were mitigated to a level that enabled delivery of core priorities.

## What we achieved in 2025-26

The Performance Analysis on pages 20 to 41 provides a detailed overview of performance in the year, both financial and non-financial.

This has been the first year of introduction of the new Strategic Outcomes Framework (SOF) and Systems Oversight Measures (SOMs) from April 2025. It has also been the first year of operation of the HSC Support and Intervention Framework (SIF) which sets out the Department of Health's approach for gaining assurance from HSC organisations in relation to the delivery of ministerial priorities and other key deliverables as set out in the SOF and associated SOMs and specifically outlines the approach to support and intervention where there are matters of concern that need to be addressed.

The performance for 2025-26 continued to be influenced by a number of significant and interrelated factors related to demand pressures, patient complexity and flow, workforce constraints, financial constraints and transformation and digital change.

The Southern HSC Trust's approach ensured that performance and financial delivery were assessed in a coordinated way, recognising the interdependency between workforce, finance, capacity and access.

In summary, the Southern HSC Trust delivered measurable performance improvements in priority areas, most notably elective backlog reduction and diagnostics, while acknowledging areas where performance remained significantly below regional and Ministerial standards.

- **Key performance achievements**

  - Elective care delivered strong recovery, including a 62% reduction in inpatient and day case waits over four years
  - Diagnostics improved, with total diagnostic waits decreasing by 18.6% (to 17,094 as at February 2026).
  - Progress made under the HSC Support and Intervention Framework (SIF), with no services at Level 4 or Level 5 at year end.

We achieved above despite significant challenges remaining in unscheduled care, cancer pathways and workforce-constrained services.

- **Financial Targets**

  The statutory financial targets to be met are:

  - Breakeven on income and expenditure
  - Maintain capital expenditure within the agreed Capital Resource Limit

These targets were achieved at 31 March 2026.

This break-even achievement was only made possible through successfully implementing a challenging savings target of £43m reflecting low and medium impact measures and from receiving additional funding for baseline deficits of some £21.191m from the Department of Health. This was provided in part to offset pressures carried forward from prior years including unavoidable in-year pressures and growth in our services. Otherwise, the Southern HSC Trust would have had to consider implementing high impact service recovery measures to achieve break-even.

# 2

# Performance Analysis

## Southern Health and Social Care Trust Year in Highlights 2025-26

**April 2025**

### Southern Trust Fellow

Blaithnid Hughes, Head of Service for Anaesthetics, Theatres and Critical Care Services graduated from the prestigious Centre for Democracy and Peace Building Fellowship programme.

The seven-month programme brought together emerging leaders from across sectors, for discussion and reflection on some of Northern Ireland's most complex problems. Blaithnid was delighted to represent healthcare and be the first Southern HSC Trust participant amongst this year's cohort.

**May 2025**

### Heart Failure Services First in UK

We were proud to be the first organisation in the UK to receive pre-accreditation as a Specialised Quality of Care Centre by the European Society of Cardiology.

This prestigious recognition represents the gold standard in heart failure services as part of an international programme led by the Heart Failure Association.

### Fostering Excellence


In April we teamed up with the Fostering Network, to host our annual Fostering Achievement and Attainment Awards.

The event recognised our exceptional children and young people in foster and kinship care across the region, highlighting their resilience, growth and achievements across sports, education, music, and drama.

## Encompass Go Live!


On 8 May marked a historic achievement for Health and Social Care services in Northern Ireland as the Southern and Western HSC Trusts went live with the digital health care record system.

All Health and Social Care Trusts across Northern Ireland are now integrated into one digital system, signifying a major step forward in streamlining patient care. With Encompass now fully operational, patients and service users can benefit from My Care, the dedicated patient portal. My Care provides secure online access to personal health information. Everyone is encouraged to sign up.

**June 2025**

## Vision and Strategy

In June we launched a new long-term strategy to make health and social care better, safer and more focused on people. 'Vision and Strategy 2030' is based on the vision 'Together we will grow to be a learning organisation focused on providing safe, quality care based on a community-first approach throughout the whole-life journey'.

Five symbolic tree-planting events took place across the Southern HSC Trust to launch the strategy, to represent the five strategic themes. Staff, service users, community partners and special guests, joined together to celebrate this new chapter.

## Sanctuary of Remembrance

On 21 June, we were honoured to support a memorial event, organised by Donaghmore Historical Society, to remember the history of the Dungannon Workhouse at South Tyrone Hospital.

A dedicated memorial garden was officially opened in June 2022 and includes a special engraved stone in memory of all of those who are sadly buried at the site. To mark the occasion, staff and service users from our Day Opportunities programme worked hard with estates colleagues to paint, trim and update the garden with new shrubs.

**July 2025**

## Enhanced Care Unit at Daisy Hill


A new Enhanced Care Unit opened at Daisy Hill Hospital. Located in the former High Dependency Unit, the team looks after the sickest patients who need inpatient medical care at the hospital.

Whilst we continue to work with Craigavon and other hospitals within the regional critical care network to transfer patients to high dependency or intensive care as needed, we are proud to offer this enhanced acuity care which secures the excellent skillset of our compassionate team at Daisy Hill while ensuring that patients receive the most appropriate care in the right place.

## Movement for Life


In July we launched a new campaign 'Movement for Life,' to inspire and support over 50s to embrace physical activity as part of daily life.

The project is funded by the Public Health Agency and a partnership approach with Armagh, Banbridge & Craigavon Borough Council, Mid Ulster Council and Newry, Mourne and Down Council.

**August 2025**

## 200 Years of St Luke's

In August we marked a significant milestone with a special event celebrating the 200th anniversary of St Luke's Hospital, Armagh.

Opened in July 1825 as the Armagh District Lunatic Asylum, St Luke's was the first of a network of asylums in Ireland to provide care for people living with mental illness. Over two centuries later, it remains a landmark in the story of mental health, reflecting both the challenges and the progress made in care, treatment and understanding.

## Student Nurse of the Year

Jill Vogan received the Nicola Tallon Student Nurse of the Year Award.

This special award was launched in memory of our esteemed colleague Nicola who had worked in our Home Treatment Crisis Response team within the mental health division and passed away in June 2021.

Jill stood out for her outstanding work during her first-year placement at the Eden Centre in Portadown, where she was part of the Adult Learning Disability Team. Runner up Nicole McBirney impressed the judges with her work in the Ambulatory Care Unit in Craigavon Area Hospital.

**September 2025**

## Celebrating Home Care

The fantastic care provided by Southern HSC Trust Home Care Assistants to thousands of people was recognised along with back-office staff at the Southern HSC Trust Home Care Awards in September.

Staff from right across the Southern HSC Trust's three home care teams – Armagh and Dungannon, Craigavon and Banbridge and Newry and Mourne, and the Out of Hours team – came together for a special afternoon, to celebrate the difference they make to the lives of the 2,236 services users.

## Sunflower Room

A new sensory room officially opened at South Tyrone Hospital to support patients with learning disabilities as they prepare for dental surgery.

Funded through charitable donations, the Sunflower Room was created by transforming a former storeroom into a bright and calming space. Equipped with dim lights, fidget toys, less noise and fewer staff, it offers patients a safe environment to relax before going into theatre.

**October 2025**

## Seasons of Life

Our ‘Seasons of Life’ programme scooped the top prize at the Picker Experience Network Awards.

The one-year pilot initiative, shortlisted in the Partnership Working category, was a unique narrative project that supported young people across the Southern HSC Trust area to cope with bereavement or loss of a family member.

## Multicultural Day

In October we hosted a Multicultural Day, bringing together staff from across the organisation to celebrate diversity, culture and community.

The event featured vibrant music and dance performances, traditional food from around the world, henna art and creative crafts. The celebration, ran in conjunction with the ABC Community Network in Portadown Town Hall, saw over 150 people attend.

**November 2025**

## Healing from Trauma


A specialist team within the Southern HSC Trust is providing life-changing psychological support to people who have experienced troubles related trauma, helping them to recover, build and move forward.

The Regional Trauma Network, based at Haven’s Close in St Luke’s, Armagh, offers one-to-one therapy, group programmes and community outreach designed to rebuild confidence, wellbeing and hope.

## Edel Corr Awards

There were two winners and a special merit prize this year for the Southern HSC Trust's 'Edel Corr Award for Outstanding Compassionate Care.'

Edel Corr was a highly esteemed nursing colleague, who sadly passed away in 2021 and this annual award was established in her honour.

Special Merit Award was presented to Patrick McElhatton, a porter with an amazing 50 years' service in South Tyrone Hospital.

Sarah McFarland, from the Continuity of Midwifery Care Emerald Team and the Multidisciplinary team, Ward 3 Lurgan received the Edel Corr Award for Outstanding Compassionate Care.

**December 2025**

## Gold star for Trauma and Orthopaedics

Our Trauma and Orthopaedic service received national recognition for commitment to patient safety, for the fifth consecutive year.

Also, for the first time, the team was awarded with gold accreditation as a National Joint Registry Quality Data Provider.
To achieve the award, hospitals must meet key rigorous targets, based around patient safety, quality of care and compliance.

## Top Marks for Cancer Services

Southern HSC Trust cancer services have received the highest score possible in the Macmillan Quality Environment Mark.

The Mandeville Unit and the Macmillan Information and Support Centre were developed as flagship partnerships between Macmillan Cancer Support and the Southern HSC Trust. Following rigorous assessment from an independent quality assurance agency, both services have retained the prestigious recognition for another three years.

**January 2026**

## Care Without Carbon

In January, we launched our new Sustainability Strategy for 2026-2030.

'Care without Carbon', sets out a clear 'green plan' to cut carbon emissions, reduce waste, modernise the estate and build a more cost-effective and environmentally responsible health and social care system.

**February 2026**

## Dedicated Craigavon Midwifery Led Team

We have a new dedicated team to look after women who choose to birth their babies in the midwifery led unit at Craigavon Hospital.

The team are delighted to be able to offer more women the opportunity to birth their babies in a natural home-from-home environment.

Last year 117 babies were born in the unit which is designed to help mums relax, with their well-being and comfort at the forefront.

## Midwifery Milestone

Daisy Hill Hospital's midwifery led team celebrated their 2,000 birth with the arrival of baby Josh Annett. Proud parents Joanna and Alan from Kilkeel were delighted with their midwifery led experience supported by midwives Liz Campbell and Shivaun McKinley.

The midwifery unit first opened in 2014. It is staffed 24/7 with a team of midwives, dedicated to providing a high standard of care in a relaxed, home from home environment.

**March 2026**

## Improving support in the last days of Life


Representatives from the Department of Health and the NI Assembly Health Committee visited Craigavon Area Hospital to see how we are improving end of life care.

Ward 2 North has launched a pilot programme to help staff ensure each patient's comfort, personal needs and family support are clearly recorded and understood by the whole care team. This work supports a key recommendation from the recent Northern Ireland Assembly Health Committee's Access to Palliative Care Services inquiry report, which called for a regional approach to documenting care in the last days of life.

## Innovative new programme to support young doctors

We introduced an innovative new programme to support the development of medical staff and improve service stability. Shaped by young doctors, the new multi-year rotational programme, offers a development pathway for locally employed doctors who are not in a formal national training programme. It includes structured pathways, supervision, support and opportunities to develop competencies and a career within the organisation.

## PERFORMANCE ANALYSIS 2025-26

### Priorities 2025-26

During 2025-26, the Southern HSC Trust delivered health and social care services in a challenging operational and financial environment. This was the first year of implementing the Southern HSC Trust's Vision and Strategy 2030, with an emphasis on service stabilisation, risk management and financial control, alongside sustained growth in demand and workforce pressures.

The Southern HSC Trust operated within an environment of tight financial controls, alongside continued reliance on non-recurrent regional funding, particularly to manage waiting times and wider system pressures. Despite these challenges, the Southern HSC Trust achieved financial break even, maintained safe services, and delivered measurable performance improvements in priority areas, most notably elective backlog reduction and diagnostics, while acknowledging areas where performance remained significantly below regional and Ministerial standards.

### 2025-26 at a glance

- Financial break even achieved.
- Elective care delivered strong recovery, including a 62% reduction in inpatient and day case waits over four years (to 708 as at March 2026).
- Diagnostics improved, with total diagnostic waits decreasing by 22.2% from 21,002 in April 2025 to 16,335 in March 2026.
- Progress made under the HSC Support and Intervention Framework (SIF), with no services at Level 4 or Level 5 at year end.
- Significant challenges remained in unscheduled care, cancer pathways and workforce-constrained services.

### How we assess our performance

The Southern HSC Trust assessed its performance during 2025-26 using a quantitative performance management framework, aligned with Department of Health oversight arrangements and embedded within Trust governance structures.

Performance assessment was based on:

- Statutory and Ministerial access standards across urgent and emergency care, elective care, cancer, diagnostics and mental health services;
- Outcomes and assurance through the Strategic Outcomes Framework (SOF) and Systems Oversight Measures (SOMs);
- Formal scrutiny through Trust Board, Trust Committees, and Support and Intervention Framework (SIF) escalation and oversight arrangements; and

- Stabilisation of activity post-Encompass, as part of the Southern HSC Trust's Encompass stabilisation programme.

The Southern HSC Trust's approach ensured that performance and financial delivery were assessed in a coordinated way, recognising the interdependency between workforce, finance, capacity and access.

## Factors impacting Performance 2025-26

Performance during 2025-26 was shaped by a number of significant and interrelated factors:

### Demand Pressures

- Emergency Department attendances increased by 2.1% year-on-year, adding pressure to already constrained acute capacity.
- Growth in outpatient demand continued to exceed funded capacity, driving ongoing growth in outpatient waiting lists.

### Patient Complexity and Flow

- Increased population ageing, frailty and clinical complexity contributed to longer lengths of stay and reduced inpatient flow.
- Delayed discharge, linked to Home Care capacity and independent sector fragility, continued to impact hospital throughput and efficiency.

### Workforce Constraints

- Ongoing shortages across medical, nursing and AHP groups limited productivity, particularly in cancer, theatre-based services, mental health and obstetrics.
- Continued reliance on locum and agency staffing impacted both financial sustainability and service resilience.

### Financial Constraints

- The Southern HSC Trust operated within a tight financial envelope, with being set a challenging savings target and limited recurrent growth funding.
- Non-recurrent funding provided short-term mitigation for performance pressures but constrained long-term planning.

### Transformation and Digital Change

- The implementation and embedment of Encompass required substantial organisational focus, introducing short-term productivity challenges while improving data quality and assurance.

## How we performed in 2025-26

### System Oversight Measures (SOMs)

The Department of Health's approach for gaining assurance from HSC organisations in relation to the delivery of ministerial priorities and other key deliverables are set out in the Strategic Outcomes Framework (SOF) and associated System Oversight Measures (SOMs), introduced from April 2025. During 2025-26, the Southern HSC Trust strengthened assurance and oversight across the measurable SOMs, despite sustained operational and financial pressures. By March 2026, 35 of the 36 SOMs had been assessed, reflecting improved data maturity and assurance as detailed below.

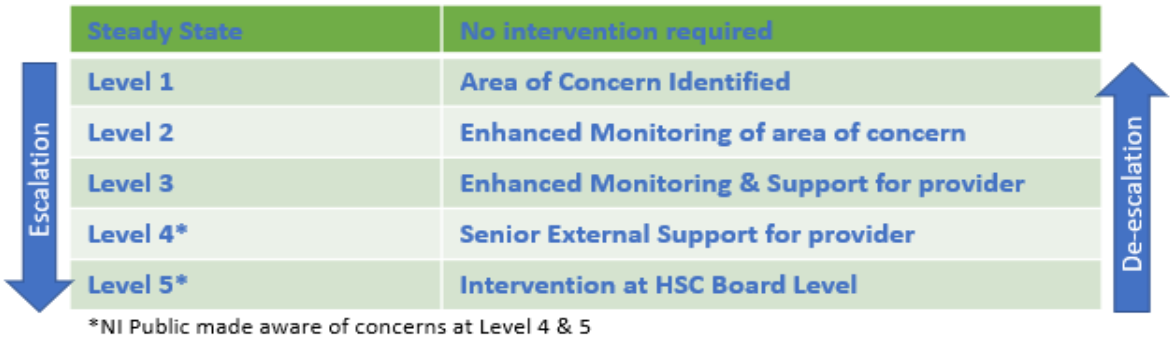
| May-25 | | | March-26 | | |
|---|---|---|---|---|---|
| Low | Medium | High | Low | Medium | High |
| 19 | 3 | 3 | 11 | 7 | 17 |

Indicators assigned Medium or High confidence demonstrate the most robust data quality, completeness and validation processes, thereby providing a more reliable basis for performance evaluation.

Performance within high-confidence measures indicated achievement against the target for stabilising the number of patients leaving Emergency Departments without treatment compared to the 2024-25 baseline, supporting quality and experience outcomes. However, key access-related targets, including increases in four-hour performance, a 10% reduction in 12-hour waits, and cancer standards across the 14-31 and 62-day pathways, were not achieved, reflecting system-wide capacity and flow constraints.

In community and social care measures, the Southern HSC Trust delivered a 5% increase in Service User Direct Payments, demonstrating progress in personalised care, while targets to reduce Family Support unallocated cases and cumulative Fractures and Neck of Femur performance were not met. Overall, SOM performance during the year demonstrates incremental improvement in assurance and targeted delivery within a constrained financial and operational environment, with ongoing risks concentrated in urgent, unscheduled, and pathway-dependent services.

## Strategic Intervention Framework (SIF)




During 2025-26, the Southern HSC Trust made measurable progress in strengthening delivery against the HSC Support and Intervention Framework (SIF), with an emphasis on early identification of risk, enhanced governance, and delivery of agreed recovery actions. This contributed to de-escalation and removal of key areas of concern; at year end, no issues were identified at Level 4 or Level 5 escalation.

Notably, the Southern HSC Trust achieved a **significant improvement in Serious Adverse Incident (SAI) reporting compliance,** reducing overdue reports by 87% over the year. This led to the formal removal of SAI compliance from the SIF, representing a strong demonstration of improved safety governance and one of the first such achievements across HSC Trusts. In addition, **Management of Obstetric Services has been progressively de-escalated throughout the year**, moving from Level 4 in November 2024 to Level 1 by November 2025, reflecting sustained improvements in oversight and service assurance.

Across other escalation areas, progress has been evidenced through **targeted recovery actions and operational improvements**. Improvements in theatre productivity at Craigavon Area Hospital have been acknowledged by Strategic Planning and Performance Group (SPPG), with the service approaching the threshold for de-escalation from the SIF. Positive momentum has also been noted in Red Flag Breast Assessment waits, supported by successful consultant recruitment, alongside ongoing management of system pressures affecting emergency care, ambulance handovers, gastroenterology, and workforce challenges within psychiatry and haematology services.

Overall, while **nine areas remain under active SIF escalation**, the Southern HSC Trust has demonstrated consistent progress, effective engagement with external partners, and strengthening maturity in performance management. The focus for the remainder of the year is on **sustaining improvements, securing further de-escalation, and preventing escalation of emerging risks** through proactive monitoring and early intervention.

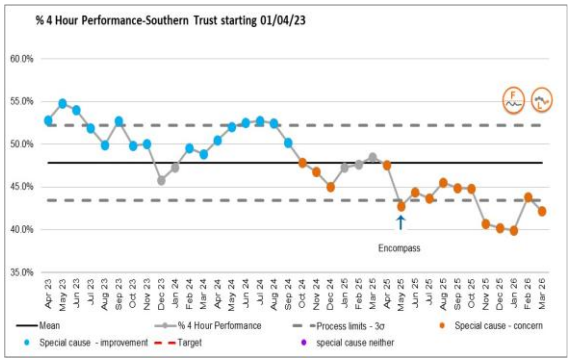
| SHSCT Current Areas of Escalation as at March 2026 | |
|---|---|
| **LEVEL 1: AREA OF CONCERN IDENTIFIED** | |
| STSIF25-015 | Waits for Red Flag Breast Assessment |
| **LEVEL 2: ENHANCED MONITORING OF AREA OF CONCERN** | |
| STSIF24-008 | Theatre scheduling and cancellations in DHH (adult and paediatric) |
| STSIF25-013 | Haematology Services |
| STSIF25-016 | Consultant Psychiatry workforce |
| **LEVEL 3: ENHANCED MONITORING & SUPPORT FOR THE PROVIDER** | |
| STSIF25-011 | Reducing Time Spent in ED for patients (especially > 12 hours) |
| STSIF25-012 | Ambulance Handover |
| STSIF25-014 | Gastroenterology Service Pressures and Recovery Planning |
| **LEVEL 4: SENIOR EXTERNAL SUPPORT FOR THE PROVIDER** | |
| N/A | None identified |
| **LEVEL 5: INTERVENTION AT HSC BOARD LEVEL** | |
| N/A | None identified |

## Unscheduled and Emergency Care

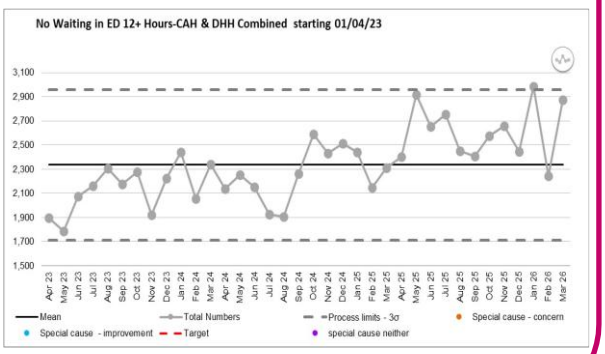
Performance against Emergency Department access standards remained significantly challenging during the year and below target. Emergency Department overcrowding continued to impact the Southern HSC Trust's ability to treat, admit and discharge patients within four hours, with persistent constraints in patient flow, bed capacity and timely discharge, exacerbated by higher acuity and increased frailty.

Emergency Department attendances increased by 2.1% (+2,879) compared with the previous year, while 12-hour waits rose by 16.5% (+4,373), reflecting ongoing exit block pressures. Despite this, focused interventions contributed to a 4% reduction (-473) in patients waiting over 24 hours year-on-year, demonstrating improved management of extreme waits. Ambulance handover delays over two hours remained high, particularly during winter surge periods. Throughout the year, performance efforts were directed towards risk mitigation and reducing the longest delays, supported through escalation via the Timely Care Programme and the Support and Intervention Framework governance arrangement.

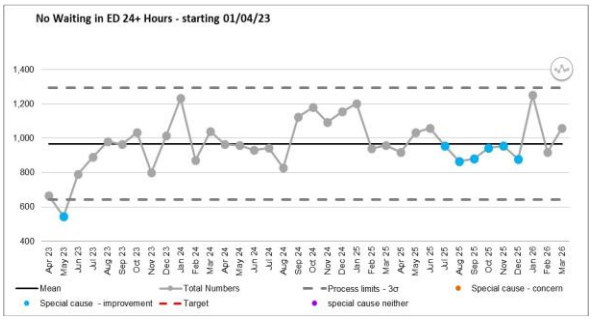
**% 4hr Wait Performance:**
**CAH & DHH Combined Apr-23 onwards**



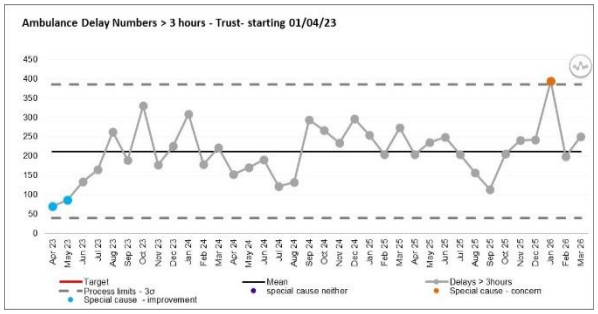

**>12hr Waits:**
**CAH & DHH Combined Apr-23 onwards**




**>24hr Waits:**
**CAH & DHH Combined Apr-23 onwards**



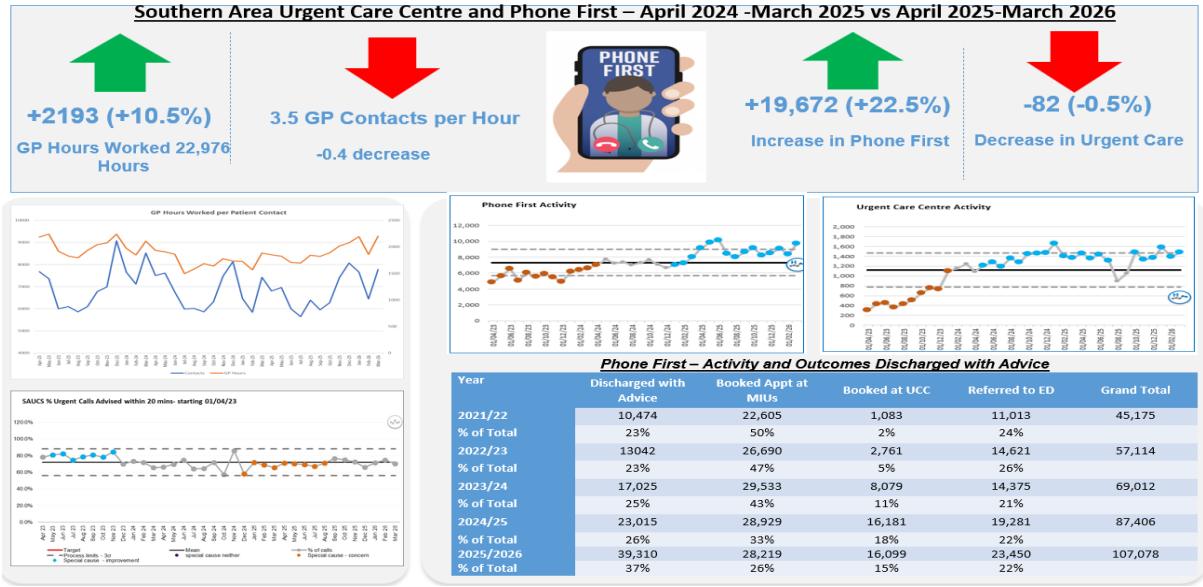

**>3hr Ambulance Delays:**
**CAH & DHH Combined Apr-23 onwards**




## Urgent Care Centre and Phone First

Urgent Care transformation through the Phone First and Urgent Care Centre model delivered measurable system and financial benefits during 2025-26. Phone First activity increased by 22.5% (+19,672 contacts), demonstrating its growing role in absorbing early patient demand and supporting more appropriate navigation of urgent and emergency care pathways. This was achieved alongside a 0.5% reduction in Urgent Care Centre attendances, indicating effective triage and alignment between clinical need and in-person care.

GP workforce investment increased, with total GP hours rising by 10.5% (+2,193 hours), reflecting significant commitment to system resilience, although a reduction in contacts per hour highlights the impact of increasing patient complexity and workload intensity. Overall, the model supports improved demand management, avoidance of unnecessary hospital attendances and better utilisation of workforce capacity, contributing to improved system efficiency and value for money within the urgent care pathway.




***Phone First – Activity and Outcomes Discharged with Advice***

| Year | Discharged with Advice | Booked Appt at MIUs | Booked at UCC | Referred to ED | Grand Total |
|---|---|---|---|---|---|
| 2021/22 | 10,474 | 22,605 | 1,083 | 11,013 | 45,175 |
| % of Total | 23% | 50% | 2% | 24% | |
| 2022/23 | 13042 | 26,690 | 2,761 | 14,621 | 57,114 |
| % of Total | 23% | 47% | 5% | 26% | |
| 2023/24 | 17,025 | 29,533 | 8,079 | 14,375 | 69,012 |
| % of Total | 25% | 43% | 11% | 21% | |
| 2024/25 | 23,015 | 28,929 | 16,181 | 19,281 | 87,406 |
| % of Total | 26% | 33% | 18% | 22% | |
| 2025/2026 | 39,310 | 28,219 | 16,099 | 23,450 | 107,078 |
| % of Total | 37% | 26% | 15% | 22% | |

## Elective Care

Elective care performance represented one of the strongest areas of delivery during 2025-26, supported by targeted regional funding.

- Inpatient and day case waits over four years were reduced by 62%, from 1,840 patients to 708 patients by March 2026.
- All patients waiting over four years for named procedures (including hips, knees, hernia, lap chole and colonoscopy) were cleared by 1 April 2026.
- Red-flag outpatient waits reduced by approximately 60%, over the course of the year.
- Over 81,863 patients benefited from Waiting List Initiative (WLI) and Waiting List reduction (WLR) investment through treatment and/or validation.

This delivery was supported by:

- £23.1m non recurrent funding.
- Extensive use of Independent Sector Providers.
- Large-scale administrative and clinical validation activity, improving waiting list accuracy and productivity.

Despite these improvements, overall outpatient waits continued to grow, reflecting underlying demand pressures and capacity limits. As at March 2026, 91,390 patients were waiting for a consultant-led outpatient appointment in the Southern HSC Trust, resulting in unacceptably long waits for many.

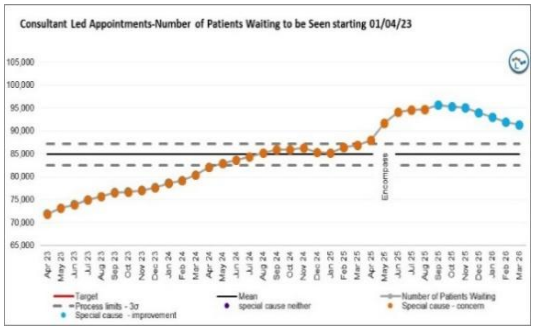
Outpatient activity was lower than planned during the year, reflecting the implementation of Encompass and the expected short-term impact of a significant

change programme. The Southern HSC Trust delivered 68,417 new outpatient appointments (as at March 2026). Outpatient reform and modernisation work continued, with a focus on patient-initiated follow-up, two-way text validation, and effective utilisation of clinic capacity.

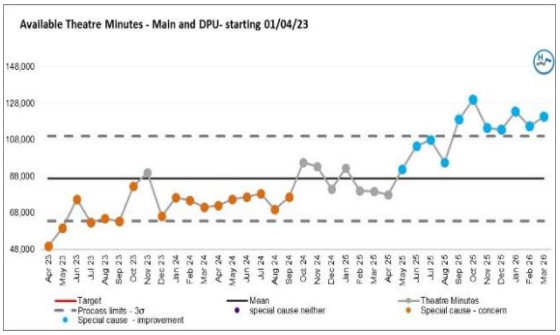
Theatre scheduled minutes increased from 77,790 in April 2025 to 120,690 in March 2026 (a 55% increase). It should be noted that, while inpatient and day case waits have reduced, there remains a cohort of patients who have not yet converted from outpatient waiting lists.

The total number of patients waiting for an Allied Health Professionals (AHP) appointment decreased by 4.5%, from 15,801 in April 2025 to 15,093 in March 2026. Despite the recovery and improvements made during the year, it is recognised regionally that a targeted approach is required to address the volume of patients waiting for AHP services.

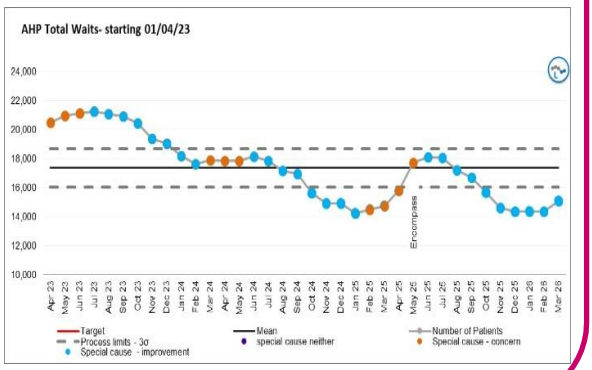
**Consultant-Led Appointments**
**No. of Patients Waiting to be Seen:**
**Apr-23 onwards**




**Available Theatre Minutes:**
**Apr-23 onwards**




**AHP Total Waits**



## Cancer Services

Cancer performance remained below Ministerial standards throughout 2025-26, consistent with the regional position.

- Performance against 14-day, 31-day and 62-day standards deteriorated during the year.
- Workforce gaps and diagnostic and treatment capacity constraints limited throughput.
- Endoscopy capacity remained a significant risk, with a high proportion of suspected cancer patients waiting longer than recommended timeframes.

Cancer Optimisation Plans remained in place and were closely monitored through Southern HSC Trust, regional and SIF governance arrangements.

| | 14 Day Target = 100% | | 31 Day Target = 98% | | 62 Day Target = 95% | |
|---|---|---|---|---|---|---|
| | SHSCT Performance | Regional Performance | SHSCT Performance | Regional Performance | SHSCT Performance | Regional Performance |
| FY2019/20 | 100% | 85% | 98% | 93% | 66% | 52% |
| FY2020/21 | 68% | 71% | 92% | 93% | 60% | 54% |
| FY2021/22 | 37% | 53% | 86% | 89% | 50% | 46% |
| FY2022/23 | 56% | 69% | 86% | 88% | 42% | 38% |
| FY2023/24 | 23% | 42% | 91% | 88% | 41% | 34% |
| FY2024/25 | 14% | 31% | 90% | 88% | 33% | 34% |
| FY2025/26 | 9% | 10% | 92% | 88% | 35% | 31% |

The number of people who are actively waiting on our cancer pathways has decreased by 33% from 6,440 patients in March 2025 to 4,298 in March 2026 – supported by the targeted work on red flag and regional support.

The number of patients who have attended and been diagnosed with Cancer has increased by 4.6%(+124). From 2,714 in 2024-25 to 2,838 confirmed cases during 2025-26.

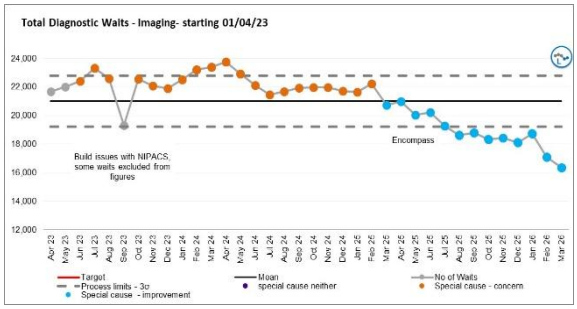
## Diagnostic Services

Diagnostic services demonstrated sustained recovery and improvement, supporting elective and cancer pathways.

- Performance improved across CT, MRI and ultrasound, driven by targeted investment, extended working and operational efficiencies. Total Diagnostics Waits have decreased by 22.2% (-4,667) from 21,002 in April 2025 to 16,335 in March 2026.
- Diagnostic recovery represented a key enabler of elective backlog reduction and pathway stability.

Diagnostic performance represented one of the strongest areas of recovery during 2025-26.

**Diagnostic Waits: Apr-23 onwards**




## Mental Health Services

Mental Health Services experienced sustained and significant pressure throughout 2025-26, driven primarily by severe consultant psychiatry workforce shortages. As a result, adult mental health services remained under enhanced SIF monitoring (Level 2) for the duration of the year, with the risk retained on the Corporate Risk Register as an Extreme Risk. The reduction in substantive consultant capacity significantly constrained service delivery across both community and inpatient pathways, requiring extended periods of business continuity arrangements and prioritisation of urgent and high-risk clinical need.

Despite repeated recruitment campaigns, the Southern HSC Trust was unable to secure substantive consultant appointments and remained reliant on high-cost locum staffing to maintain safe services. Inpatient and community services were sustained through mitigation and escalation, increasing operational fragility and cost pressure. Overall, Mental Health performance during 2025-26 was characterised by workforce-driven service risk rather than demand-led underperformance.

## Children, Young People and Maternity Services

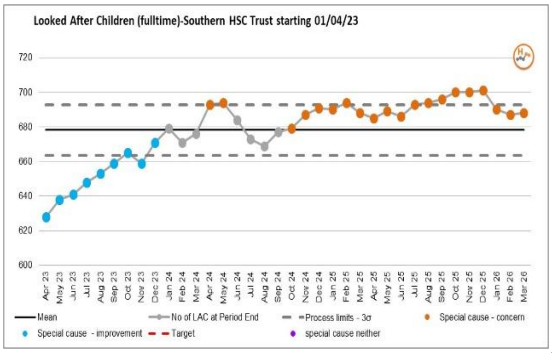
Children, Young People and Maternity Services operated under sustained demand and workforce pressures during 2025-26, with mixed but improving performance overall. Children and Adult Mental Health Service (CAMHS) consistently achieved the Ministerial nine-week access standard, demonstrating effective demand and capacity management. Children's Social Care showed improvement in Family Support allocation, although unallocated Child Care cases remained above target due to workforce constraints and increasing complexity. The number of Children waiting for

an Autism assessment increased by 17% from 1,660 in April 2025 to 1,944 in March 2026 (+284).

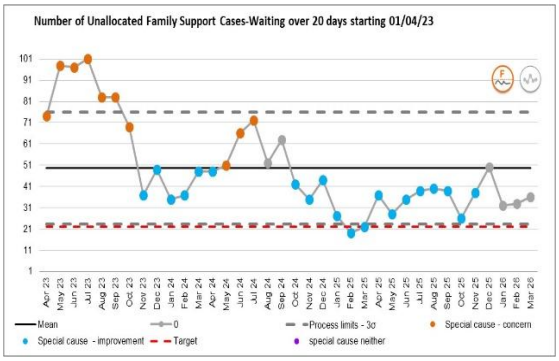
Children's elective services continued to experience significant pressure during 2025-26, particularly across outpatient pathways. At March 2026, 1,890 children were waiting for a Community Paediatric appointment, with a further 1,095 waiting for Acute Paediatric outpatient care. In contrast, inpatient and day case performance showed improvement compared with previous years, with waiting lists reducing by 17% (-189 patients) from 1,105 in April 2025 to 916 in March 2026. This improvement reflects the impact of targeted recovery actions and strengthened performance oversight, despite ongoing demand and capacity pressures across children's services.

Maternity and Women's Services delivered sustained improvement, achieving significant reductions in long waits across outpatient and inpatient pathways, with progress recognised through de-escalation under the Support and Intervention Framework. Recovery plans and governance arrangements remain in place to support continued improvement into 2026-27.

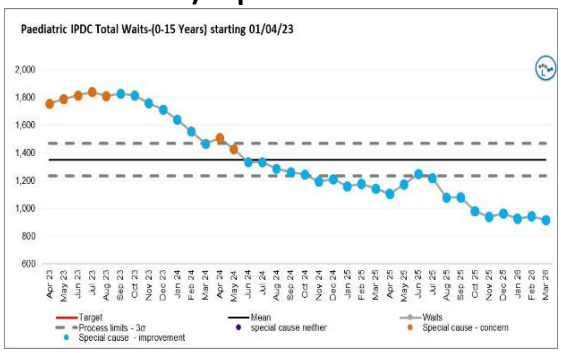
**Looked After Children (Full Time): Apr-23 onwards**



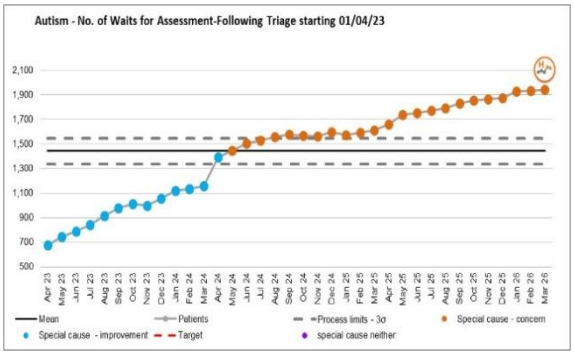

**Unallocated Family Support Cases Waiting >20 Days: Apr-23 onwards**




**Paediatric Inpatient/Daycase Waits (0-15 Years): Apr 23 Onwards**



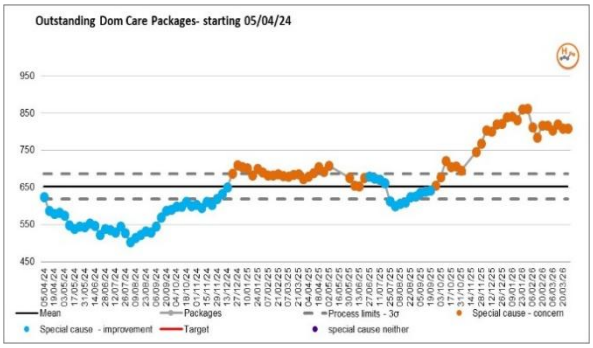

**Child Autism Waits for Assessment: Apr-23 onwards**



## Adult Community Services

Adult Community Services continued to operate under significant demand and workforce pressures throughout 2025-26, with performance remaining mixed across key service areas. Progress was made in advancing discharge and admission-avoidance pathways, including Acute Care at Home, Direct Payments and community-based supports, contributing to improved flow from acute settings. However, domiciliary care provision remained challenged, with unmet need for both full and partial packages continuing to exceed acceptable levels, reflecting wider capacity constraints within the care market. There is currently 809 outstanding domiciliary care packages equating to 6,674 hours per week.

**Outstanding Dom Care Packages: Apr-23 onwards**



## FINANCIAL PERFORMANCE 2025-26

### Financial Position

The Southern HSC Trust achieved break even in 2025–26 through a combination of £21.2m deficit support funding and successful delivery of £43m of savings.

As predicted at the outset of the financial year, 2025-26 has been yet another extremely challenging year for the entire Health and Social Care System.

The Southern HSC Trust has achieved financial balance in 2025-26 however this is against a backdrop of a number of significant opening pressures and growth during the year. This break-even achievement has only been made possible through additional funding for baseline deficits of some £21.2m from the Department of Health (DoH). This was provided in part to offset pressures carried forward from prior years including unavoidable in-year pressures and growth in our services. Otherwise, the Southern HSC Trust would have had to consider implementing high impact service recovery measures to achieve break-even. The Southern HSC Trust achieved £43m savings through reductions in spend in this year. The main contributors to this were a reduction in Nursing flexible spend and the full-year effect of the implementation of a Nursing framework contract to reduce off-contract agency spend. Alongside this, staff dedication, commitment and strong corporate governance and oversight contributed to the savings. In particular, following the implementation of the RISE (Reform, Improvement, Savings and Efficiencies) programme. The Southern HSC Trust has worked hard to balance high quality, safe patient care together with increasing demands for our services.

### Financial Environment

There is no doubt that the HSC is facing one of the toughest financial environments, with rising demographic demand and increased acuity and frailty of patients in our care. In 2025-26, the Southern HSC Trust endorsed an Opening Financial Plan with a forecast deficit of £43m. This was inclusive of a challenging savings plan of £30m (low to medium risk to services and patient safety), this plan increased to £43m at year end. The Southern HSC Trust's approach to financial planning for 2025-26 was that of embedding and enhancing the in-year financial recovery which commenced in 2023-24 along with achievement of the savings plan. The Southern HSC Trust also developed a financial strategy in response to the regional budget announcement for 2025-26 as part of its financial planning.

## Financial Targets

The Southern HSC Trust is required to operate within revenue and capital budgets delegated to it by the DoH via the SPPG, Public Health Agency (PHA) and NI Medical & Dental Training Agency (NIMDTA).

The statutory financial targets to be met are:

- Breakeven on income and expenditure; and
- Maintain capital expenditure within the agreed Capital Resource Limit.

These targets have been achieved through the implementation of the Southern HSC Trust's financial strategy for the year and the drive for efficient use of resources coupled with the successful achievement of in-year savings plans of £43m along with the provision of deficit support funding provided by the DoH.

## Financial Governance

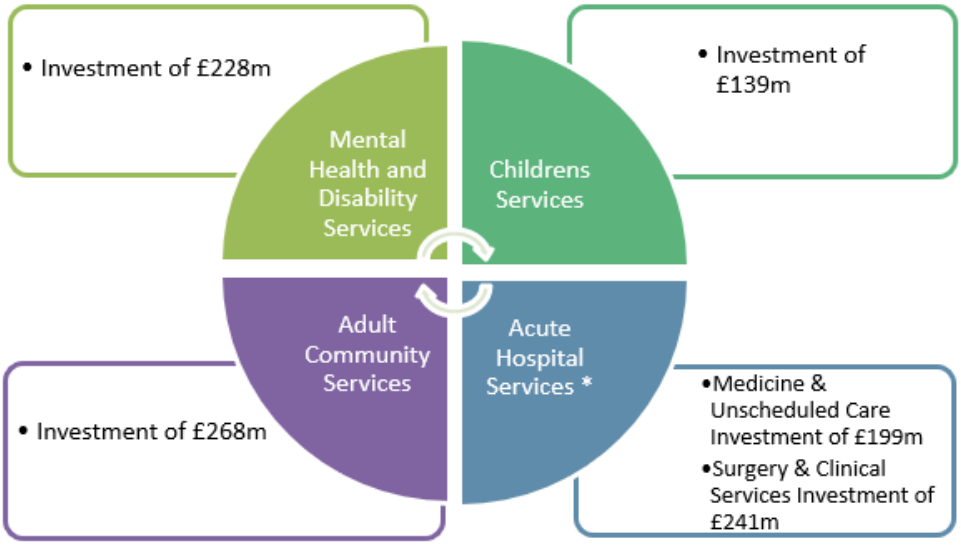
At the beginning of each financial year, the Southern HSC Trust prepares a detailed financial strategy which is approved by Trust Board. This strategy forms the basis of how our budgets are to be allocated across all Directorates. Financial performance is monitored and reviewed monthly with all Directors and detailed financial reports and year-end forecasts are produced monthly for both Trust Board and the Southern HSC Trust's Senior Leadership Team.

## Income and Expenditure in 2025-26

The Southern HSC Trust receives the vast majority of its income, 99%, from the DoH, through SPPG and PHA. In addition, the Southern HSC Trust is provided with a funding allocation for medical education. The largest single remaining funding stream is the income received from clients in residential and nursing homes.

The Southern HSC Trust's total resource expenditure in year was £1,213m, net of non-cash adjustments. The chart below demonstrates how the majority of this was invested across a range of services during 2025-26.

## Southern HSC Trust Investment Breakdown by Directorate




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

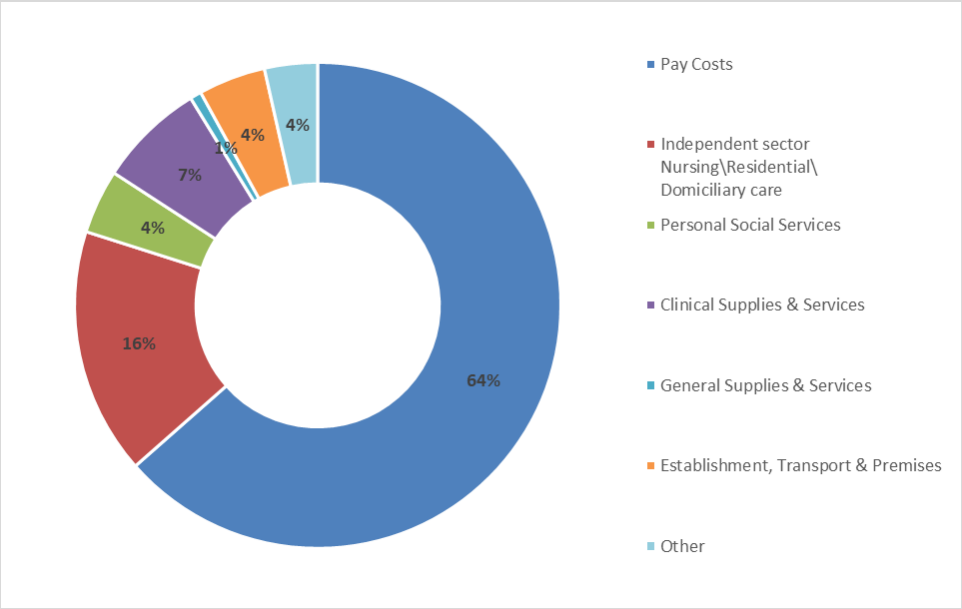
In addition, there are a range of supporting directorates which cost £138m in 2025-26, including Encompass at a cost of £3.6m.

Our staff costs are consistently the largest component of expenditure accounting for 64% of operating expenses. In 2025-26 we spent a total of £1,213m net of non-cash adjustments, £784m on pay costs with the balance of £429m on non-pay.

Within the pay costs total the Southern HSC Trust spent £157m on doctors and dentists, £259m on nurses and midwives and £130m on social work/social care and domiciliary staff. Significant spend on non-pay cost includes £97m for clinical and general supplies, such as drugs and medical equipment, and £213m for residential, nursing and domiciliary care delivered by other organisations on the Southern HSC Trust's behalf.

The chart below summarises the split of our total expenditure during 2025-26:

## Southern HSC Trust Split of Total Expenditure




Expenditure remained within the Revenue Resource Limit (RRL) of £1,150m by £177k.

## Capital Investment

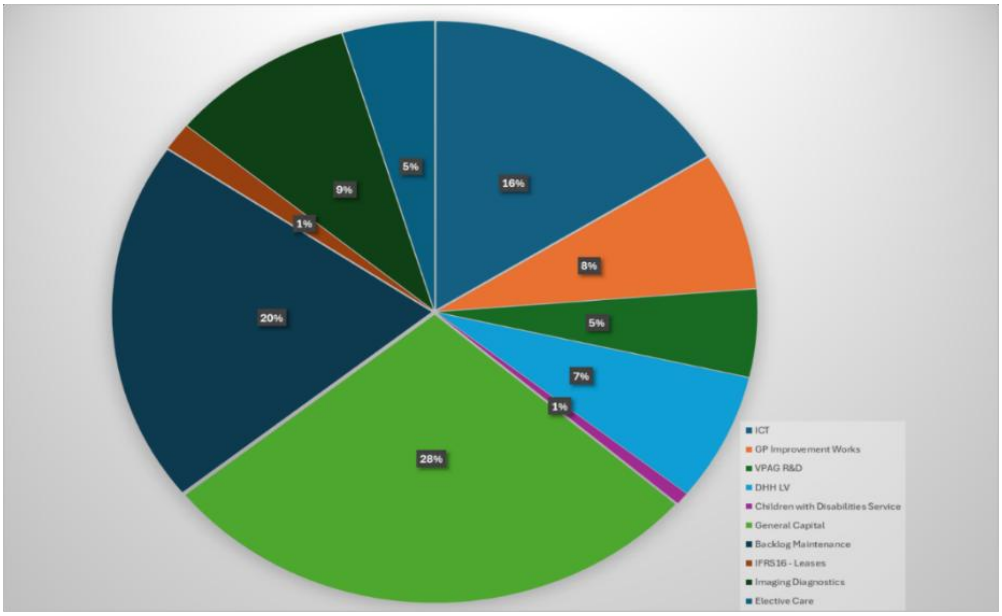
The Southern HSC Trust receives an annual capital allocation to help support the expenditure required to develop and maintain the infrastructure required to provide the facilities necessary for the provision of services to all our patients and clients.

The Southern HSC Trust had a capital allocation of £27.7m, for 2025-26, including £5.1m for Information Technology, £2.6m for Imaging Diagnostics, £2.1m GP Improvement schemes, Daisy Hill Low Voltage £2m and £7.8m for general capital requirements.

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

The Chart below summarises how we invested our capital resource during 2025-26.

## Southern HSC Trust Capital Investment 2025-26




The table below analyses the Capital spend over expenditure type:

| | |
|---|---|
| £12.3m | • Buildings, Assets Under Construction |
| £7.1m | • Equipment, Furniture and Fittings |
| £5.5m | • ICT |
| £1.8m | • Transport |

The Southern HSC Trust was successful in investing 99.95% of its Capital Resource Limit.

## Going Concern

The financial outlook for 2026-27 is very challenging. Southern HSC Trust is beginning the 2026-27 financial year with a substantial underlying funding gap.

Extensive budget planning work to support the 2026-27 position is ongoing between the Southern HSC Trust, SPPG and DoH. As a Trust we must ensure that our limited resources are used to maintain safe services and to achieve the best outcome for our

population. It also means that we must continue to embrace and pursue the transformation and efficiency agenda to safeguard vital services for the future.

While the budget position has yet to be finalised, the Trust continues to plan for and respond to the significant level of savings required to achieve financial balance in 2026-27, prioritising measures that minimise the impact on service delivery.

The accounts are prepared on a going concern basis. While the consolidated statement of financial position reports a negative Statement of Comprehensive Net Expenditure (SCNE) Reserve of £76m (with an overall net asset position of £53m), this liability is resulting from the provision applied for holiday and sick pay. The Southern HSC Trust has been advised by the DoH that this liability will be funded from central government. Therefore the Southern HSC Trust has concluded that it is appropriate to apply the going concern basis of accounting for the financial statements for the year ended 31 March 2026.

## Long term Expenditure Trends and Plans

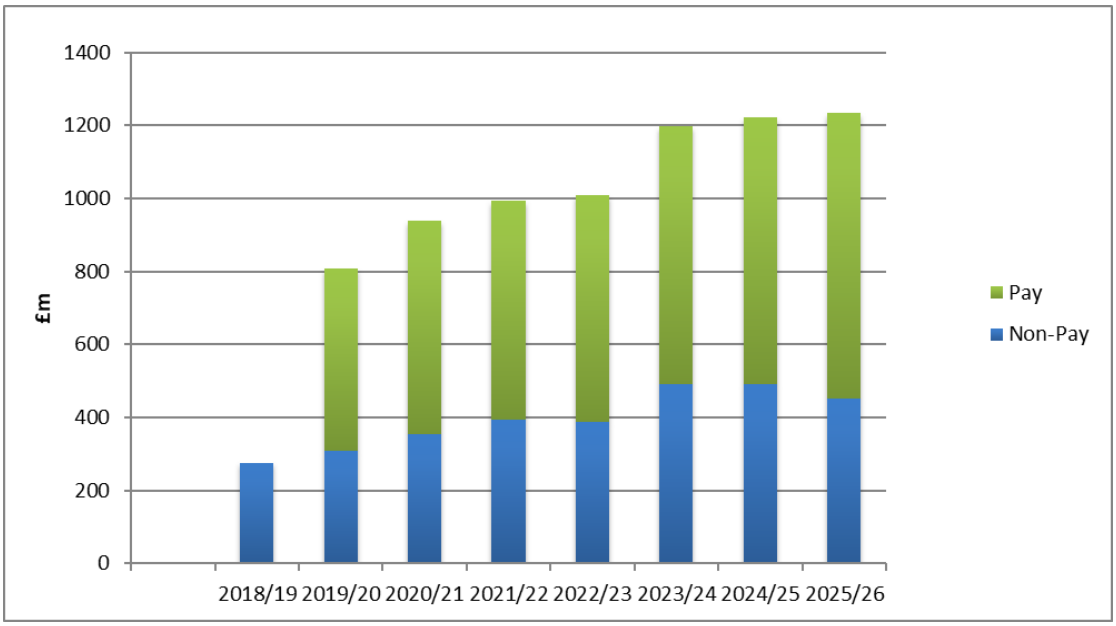
### Revenue and Funding

The financial outlook for the Northern Ireland public sector remains extremely challenging, with pressures across Health and Social Care expected to intensify over the coming years. The Southern HSC Trust anticipates that 2026-27 will be another exceptionally difficult year, reflecting a significant funding gap arising from the proposed budget allocation.

These pressures coincide with rising demographic demand, including an ageing population, increasing frailty, higher prevalence of chronic disease and more complex comorbidities. Demand continues to grow across emergency, acute, community, mental health and primary care services without a commensurate increase in funding, resulting in escalating waiting lists and sustained service pressures. In addition, the Trust's estate has suffered prolonged underinvestment and requires substantial redevelopment, particularly across its two acute hospital sites. These challenges are also adversely affecting workforce, further exacerbating existing recruitment and retention difficulties.

Recurrent and repeatable savings plans will be carried forward from 2025-26 into 2026-27 in addition to plans to achieve other areas of efficiency in 2026-27 in order to remain within a much reduced budget allocation. A Health and Social Care wide approach to delivering efficiencies and savings and increasing productivity is also being progressed to address the funding gap across the health system.

The table below shows revenue expenditure, broken down by pay and non-pay categories, incurred by the Southern HSC Trust from 2018-19 to 2025-26.




## Capital

The amount of capital investment afforded to the Southern HSC Trust is directly influenced by the overall economic environment. As part of a 10 year review of capital priorities, the Southern HSC Trust has identified a need for investment in excess of some £1.6 billion. This includes redevelopment of Craigavon Area Hospital and the Newry CTCC, together with much needed infrastructure in particular for Primary Care and Social Care, backlog maintenance and diagnostic equipment requirements.

It is difficult to envisage a situation where the Southern HSC Trust will receive the level of investment it requires to deliver a modern and fully equipped estate given the financial constraints across the NI Executive, however the Southern HSC Trust will continue to ensure that funding is utilised in a manner that provides stability for its core services for the coming years.

## Compliance with Prompt Payment Policy

The Southern HSC Trust's objective is to pay 95% of invoices within 30 days of receipt of an undisputed invoice. This year the Southern HSC Trust has seen an increase of 0.01% in the number of bills paid compared to prior year. The Southern HSC Trust can report that it exceeded its target this year paying 96.15% of invoices within 30 days, (96.39% in 2024-25).

We continue to work closely with Business Services Organisation (BSO) Shared Services Centre to ensure that all efforts are made to maintain prompt payment compliance in the future.

## Public Sector Payment Policy – Measure of Compliance

The Department requires that Trusts pay their non HSC trade payables in accordance with applicable terms and appropriate Government Accounting guidance. The Southern HSC Trust's payment policy is consistent with applicable terms and appropriate Government Accounting guidance and its measure of compliance is:

| | 2026 Number | 2026 Value £000s | 2025 Number | 2025 Value £000s |
|---|---|---|---|---|
| Total bills paid | 392,305 | 571,706 | 392,252 | 526,286 |
| Total bills paid within 30 days of receipt of an undisputed invoice or under agreed payment terms | 377,200 | 527,015 | 378,074 | 487,842 |
| % of bills paid within 30 days of receipt of an undisputed invoice or under agreed payment terms | **96.15%** | **92.18%** | **96.39%** | **92.70%** |
| Total bills paid within 10 day target | 331,275 | 439,395 | 303,314 | 390,710 |
| % of bills paid within 10 day target | **84.44%** | **76.86%** | **77.33%** | **74.24%** |

| **The Late Payment of Commercial Debts Regulations 2013** | **£** |
|---|---|
| Amount of compensation paid for payment(s) being late | **9** |
| Amount of interest paid for payment(s) being late | **-** |
| **Total** | **9** |

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

The Southern HSC Trust can report that it has met and exceeded its target this year paying 96.15% of invoices within 30 days, compared to 96.39% in 2024-25.

During the current year, the Southern HSC Trust incurred charges of £9 in respect of late payment of commercial debt invoices. This comprised payments to one supplier. This charge is reflected in the Statement of Losses and Special payments in the Annual Report on pages 132-135.

## Donations and Fundraising

Charitable donations help us to improve the quality of care we provide to our patients and service users across the Southern HSC Trust. During 2025-26, the Southern HSC Trust received income from donations and legacies totalling £359k which were received mainly from former patients, clients and their relatives in recognition of the

Southern HSC Trust's work. Income is expended on activities, in accordance with the Southern HSC Trust's procedures.

Examples of improvements the Charitable Trust Funds have supported financially during 2025-26 as a result of donations and legacies received include:

- Garden Furniture to enhance facilities;
- A sensory room installed in the Bronte Ward of the Bluestone Unit at Craigavon Area Hospital to provide a calming, therapeutic environment for adult mental health patients;
- New portable spirometry machine to enhance patient experience; and
- Christmas presents for residential patients.

If you would like to make a donation to the Southern HSC Trust to help us continue to enhance the experiences of patients and service users in our care, please email us at Donations.Account@southerntrust.hscni.net or visit our website at https://southerntrust.hscni.net/get-in-touch/donating-to-the-trust.

## Research and Development

Research activity over the reporting period continues to grow, enabling patients in the Southern HSC Trust to have access to new treatments and interventions, that increases the quality of care provided to our patients and clients, and which in turn develops our reputation as an employer.

In 2025, the Southern HSC Trust was awarded approximately £2m Voluntary Scheme for Branded Medicines Pricing, Access and Growth (VPAG) funding over four years to expand our infrastructure and human resources to deliver on commercial trial activity through a new dedicated Commercial Research Delivery Centre at Southern HSC Trust.

The VPAG Investment programme has addressed the following:

- **Workforce** - Staffing across a number of disciplines including administration, clinical and consultancy have been recruited or has enabled protected time of same, thereby enhancing the capacity of the Southern HSC Trust research workforce to take forward increased levels of commercial research activity. We have documented an uptake in research activity by 39% compared to the previous year.

- **Resource** - Protected time for a number of existing staff members to support the project has been agreed. It has allowed for equipment purchase to ensure staff have access to the relevant equipment needed to carry out their work.

- **Infrastructure** - The investment supports the refurbishment costs to provide a new dedicated Commercial Research Delivery Centre facility within the Southern HSC

Trust. This is a key enabler to ensuring enhanced levels of commercial activity can be facilitated and that the Southern HSC Trust is not lagging behind other NI Trusts who have dedicated accommodation already in place.

A central goal of our department is to have a balanced portfolio of commercial and academic research, and to support all staff to gain access to research and academia. As such Professor Campbell has been enlisted into the regional Clinical Academic Task & Finish Group. During the past year, research has been undertaken by a variety of professions including Medical, Social Work, Nursing, Midwifery and Allied Health Professional staff.

Due to governmental directives resulting in a dramatic change to the R&D landscape nationally, we have been working hard to build new reporting and governance structures, streamline study processes and have reliable reporting structures for metrics to ensure we meet targets and are competitive in the UK arena.

Work undertaken in all areas continues to demonstrate the value that research brings, not only to the local population but also as an employer of professionals interested in undertaking research in the years to come.

## SUSTAINABILITY REPORT

Sustainability remains integral to the Southern HSC Trust's responsibility to deliver high-quality health and social services while safeguarding environmental, financial and social resources for future generations. The Southern HSC Trust's approach focuses on reducing carbon emissions, minimising waste, improving resource efficiency, enhancing biodiversity and building resilience to climate change, in line with the Climate Change Act (Northern Ireland) 2022.

### Strategic Context

2025–26 marked the final year of the Southern HSC Trust's 5-year (2021–26) Sustainability Strategy. Sustainability of the estate was a key strategic priority during the year, providing a strong foundation for the new Sustainability Strategy 2026–30, which sets out a clear pathway towards Net Zero by 2035. This was approved by the Trust Board on 27 November 2025. Delivery of the Southern HSC Trust's sustainability ambitions remains dependent on the availability of capital investment.

### Sustainability Strategy 2026-2030

In 2025-26 the Southern HSC Trust launched a new five year Sustainability Strategy to take the Southern HSC Trust up to 2030. Through this strategy, the Southern HSC Trust aims to further promote a proactive approach to environmental management to maximise benefits and minimise risks to service users, staff, visitors, contractors and others through responsible management.

### Key Achievements in 2025-26

During the year, the Southern HSC Trust delivered a range of initiatives that contributed to improved environmental performance, including:

- Installation of 30 electric vehicle charging points and increased uptake of electric vehicles through the NHS leasing scheme (404 staff).
- Energy efficiency upgrades to 57 properties, including improved insulation.
- Installation of 2,071 solar photovoltaic panels at Craigavon Area Hospital, providing 1.25MW of on-site renewable generation.
- Promoting social value through Trust Contracts.
- Over 50 specimen trees planted across 12 Southern HSC Trust sites including Banbridge HC, Lurgan Hospital and Bocombra Children's Home. Continued use of the Warp-It furniture reuse scheme, generating annual savings of approximately £70k.
- Achievement of Gold status in the 2025 Business in the Community Environmental Survey.
- Expansion of the Sustainability Team to strengthen delivery of sustainability and biodiversity programmes.
- Reduction in leased estate footprint, resulting in the lowest external leased property liability across the five HSC Trusts.

- Delivery of biodiversity initiatives, including habitat surveys, tree and bulb planting, bird boxes and biodiversity signage across multiple sites.

## Travel and Transport

Staff travel continued to reduce due to increased home working, improved digital infrastructure and greater use of virtual meetings. The Southern HSC Trust continues to monitor demand for electric vehicle infrastructure and is developing plans to decarbonise its fleet, subject to future investment.

## Waste Management

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

In 2025-26 the Southern HSC Trust generated:

- 1,534 tonnes of domestic waste; and
- 1,093 tonnes of clinical waste.

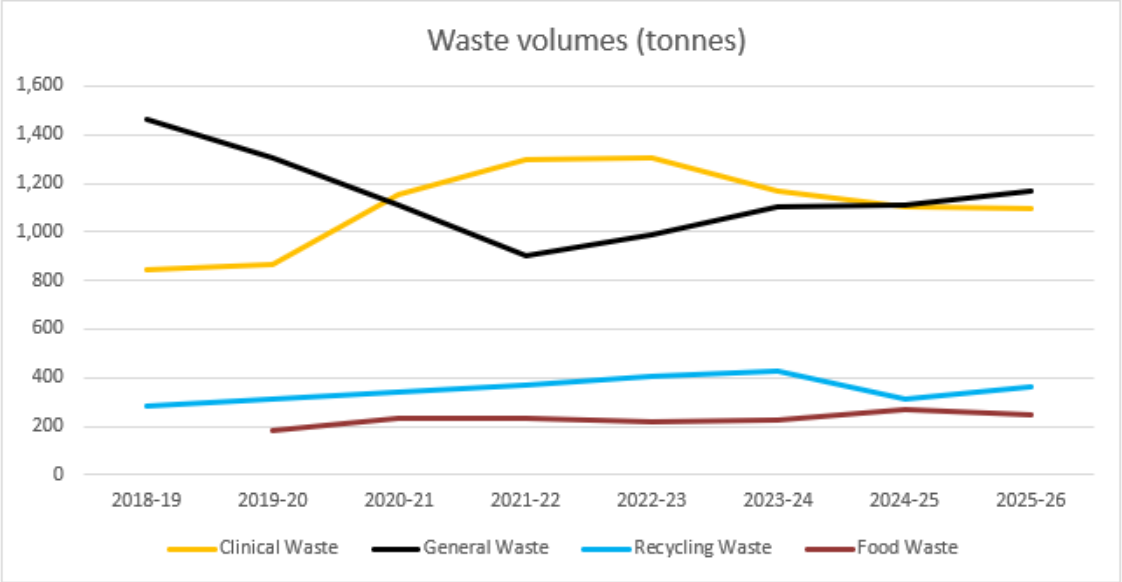
The Southern HSC Trust is committed to reducing waste volumes and has set out a number of reduction targets:

- Reduce overall waste tonnage by 1% per annum (4.82% increase in 2025-26).
- Reduce clinical waste tonnage by 1% per annum (0.74% reduction in general and 4.75% reduction in hazardous in 2025-26).
- Reduce general waste tonnage by 1% per annum (5.52% increase in 2025-26).
- Reduce food waste tonnage by 1% per annum (8.2% reduction in 2025-26).
- Increase recycling tonnage by 1% per annum (17.32% increase in 2025-26).

While not all waste reduction targets were achieved, performance improved in several areas, including reductions in clinical and food waste and increased recycling rates. The majority of residual waste continues to be recovered through refuse derived fuel and energy-from-waste facilities, minimising landfill use.

### Table: Waste per tonne 2018-19-2025-26

| | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
|---|---|---|---|---|---|---|---|---|
| Clinical Waste | 844 | 863 | 1,153 | 1,301 | 1,306 | 1,165 | 1,105 | 1,093 |
| General Waste | 1,460 | 1,308 | 1,107 | 904 | 989 | 1,103 | 1,107 | 1,169 |
| Recycling Waste | 284 | 311 | 344 | 367 | 403 | 428 | 310 | 365 |
| Food Waste | | 184 | 230 | 232 | 216 | 226 | 268 | 246 |




- **Clinical waste**

The clinical waste has reduced in 2025-26 with 0.74% reduction in general clinical waste and 4.75% reduction in hazardous clinical waste.

General clinical waste is autoclaved by the contractor and where possible sent for refuse derived fuel, otherwise it is sent to landfill.

The hazardous clinical waste is sent to England for high temperature incineration.

- **General waste**

30% (350.40 tonnes) of the domestic waste is recycled therefore the Southern HSC Trust achieved overall recycled 45.95% (852.13 tonnes) of general waste.

The remaining 70% (817.60 tonnes) of domestic waste is recovered by using as a Refuse Derived Fuel (RDF) in cement kilns and Energy from Waste (EfW) plants.

- **Recycling Waste**

The Southern HSC Trust achieved a recycling rate of 4.36% of cardboard (137.06 tonnes) and 11.59 % of Mixed Dry Recyclables (364.67 tonnes).

Overall, a recycling rate of **15.95%** (501.73 tonnes).

- **Food waste**

In 2025-26, 246 tonnes of food waste was collected across the Southern HSC Trust, which is a 22 tonne reduction on last year. Food waste generated in the catering services department is collected and treated via in-vessel composting.

An electronic ordering form was piloted in 2024-25 to help manage food waste on wards which will help to monitor and control ordering of meals. This has helped achieved 8.2% reduction in food waste in 2025-26.

In 2026-27 the Food Waste Action Plan will target areas of food waste to include ordering, food menus and areas with high waste levels to drive down food waste.

- **Other waste types**

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

## Energy and Water Management

Energy markets remained volatile during the year; however, total energy costs decreased by 1% compared with 2024–25, primarily due to energy efficiency measures and regional procurement arrangements. Total energy consumption increased marginally (0.6%), reflecting operational demand.

Improvements during the year included:

- Continued rollout of LED lighting, building management system upgrades and fabric improvements.
- Increased on-site energy generation through combined heat and power and renewable technologies.
- Ongoing water conservation measures and improved trade effluent management.

## Green Spaces and Biodiversity

The Southern HSC Trust has enhanced the Estate with our teams working across and collaboration with many internal and external stakeholders including our day time opportunities service users and Patient and client council.

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

Initiatives and improvements including the following:

- Bannvale for support in the sourcing of plants, composts, bulbs and shrubs;
- The Arc, Newry for building planters – planned for 2026-27;
- Community addictions team in Armagh – supporting the team in clear-up at St Luke's and supporting on the ongoing work to the courtyard area;
- Edenderry Day Opportunities – supply of planters and improve the garden area with some sensory plants;
- Meadows Day Centre – supply of working benches in the green house for service users to do some planting – planned for 2026-27; and

- Redirecting cardboard and timber waste to Daytime opportunities teams for reuse in gardening and horticultural projects.

## Projects 2025-26

There were a number of projects completed throughout the year 2025-26 including:

### Bulb planting at Craigavon Area Hospital

The Sustainability team planted bulbs at a number of areas across Craigavon Area Hospital including Blossom, Bluestone and Macmillian Unit.

### Tree planting across Southern HSC Trust sites

Over 50 specimen trees were planted across 12 Southern HSC Trust sites including Banbridge Health Centre, Lurgan Hospital and Bocombra Children's Home.

### Bird boxes installed across Trust sites

The Sustainability team have erected bird boxes in various locations around the Southern HSC Trust estate. The purpose of the bird boxes is to help improve biodiversity by attracting wildlife back to these areas.

We have erected different sized bird boxes which will shelter different species of birds.

These bird box locations were strategically placed to provide nesting and shelter for our local species. 20 bird boxes were installed across Southern HSC Trust sites.

**Biodiversity signage installed across Trust sites**


As part of the development and implementation of our Biodiversity site strategies, signs have been installed to highlight to staff, patients and visitors that these areas have been left to grow and improve biodiversity including support for the No Mow May campaign.

## Carbon Emissions and Net Zero

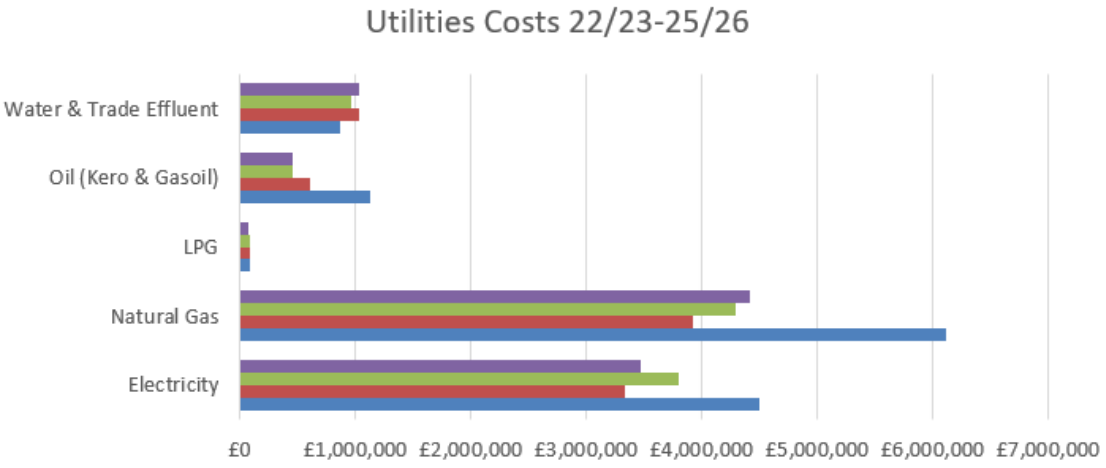
Total estates utility emissions increased by 2% to 19,389 $tCO_2e$ in 2025–26. The Southern HSC Trust remains committed to achieving its target of reducing emissions by 10,912 $tCO_2e$ by 2035 from the 2016–17 baseline.

Carbon reporting is aligned with the Greenhouse Gas Protocol and DAERA guidance, covering Scope 1 and Scope 2 emissions, with work underway to strengthen data quality and progressively expand Scope 3 reporting. Climate considerations are increasingly embedded within governance through established mitigation and adaptation frameworks.

## Energy Costs

The Southern HSC Trust has seen a significant **1%** decrease in energy cost from 2024-25 vs 2025-26 shown below:

| | **2024-25 (Restated)** | **2025-26** |
|---|---|---|
| Total Energy Cost | £9,587,676 | £9,458,629 |




| | Electricity | Natural Gas | LPG | Oil (Kero & Gasoil) | Water & Trade Effluent |
|---|---|---|---|---|---|
| 25/26 | £3,476,640 | £4,422,110 | £78,233 | £456,176 | £1,025,470 |
| 24/25 | £3,803,430 | £4,293,496 | £81,221 | £450,354 | £959,175 |
| 23/24 | £3,331,958 | £3,928,519 | £87,868 | £608,614 | £1,036,924 |
| 22/23 | £4,499,196 | £6,116,822 | £85,145 | £1,130,807 | £865,454 |

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

(i) installing energy savings devices (LED light fittings), Solar PV, Building Management Systems (BMS) upgrades, increasing building insulation and window replacements; and

(ii) by hedging market prices as part of a regional procurement and purchasing group to provide better value for money.

Over the course of 2025-26 the Southern HSC Trust worked on particular key strategic areas to deliver improved efficiencies by increasing its own generated electricity through the provision of Combined Heat and Power Plants (CHP) and by use of solar power renewables with 2,071 number photo voltaic panels being installed at Craigavon Area Hospital delivering 1.25MW of power.

The Southern HSC Trust has seen a 0.6% increase in total energy consumption from 2024-25 vs 2025-26 shown below:

| | **2024-25 (Restated)** | **2025-26** |
|---|---|---|
| Total Energy kWh | 104,489,860 | 105,076,154 |

However, despite the small increase in energy usage, the Southern HSC Trust continues to improve through:

- Optimised building systems to reduce reliance on Gas Oil, Kerosene, and Natural Gas.
- Implemented energy-efficient technologies such as LED lighting, advanced insulation, and Building Energy Management Systems (BMS).
- Reduced electricity consumption by upgrading outdated equipment and adopting energy-efficient medical devices.
- Transitioned from fossil fuels to renewable energy sources such as solar PV and heat pumps.
- Implemented opportunities for onsite renewable energy generation to reduce dependency on grid electricity e.g. 10 solar panel systems installed in 2024-25.
- Decreased reliance on volatile energy markets and water-intensive processes, the Southern HSC Trust can reduce exposure to price fluctuations and resource scarcity.
- Improved Water Conservation and Trade Effluent Management.
- Reduced water consumption through water-saving devices and leak detection systems.
- Improved trade effluent treatment to meet environmental compliance and minimise discharge costs.
- Fostered a culture of sustainability through staff engagement, training, and awareness campaigns.
- Promoted energy-saving behaviours across all levels of the organisation.
- Used advanced metering and monitoring tools to collect and analyse energy and water usage data.
- Leveraged data to identify inefficiencies, benchmark performance, and inform continuous improvement efforts.
- Ensured alignment with Northern Ireland's regulations and policies, including the Climate Change Act (NI) 2022 and regional HSCNI Energy and Water management strategies.

## Looking Ahead

In 2026–27, the Southern HSC Trust will implement Year 1 of the Environmental Sustainability Strategy 2026–30, supporting delivery of statutory obligations under the Climate Change Act (NI) 2022. While funding constraints remain, the Southern HSC Trust is committed to continuous improvement in environmental performance and transparent reporting of progress.

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

- Performance Report
- Performance analysis

**Signed:**

**Mr S Spoerry**
**Accounting Officer** **Date: 25 June 2026**

# 3

# Accountability Report

## Overview

The purpose of the Accountability Report is to meet key accountability requirements to the Northern Ireland Assembly. The report contains three sections: the Corporate Governance Report, the Remuneration and Staff Report and the Accountability and Audit Report.

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

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

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

## Corporate Governance Report

## Directors' Report

The Board of Directors during the year was as follows:

**Eileen Mullan, MBE**

Chair of Trust Board

Chair of Remuneration Committee

Chair of Strategy and Transformation (Committee stood down 23 October 2025)

Tel: 028 3756 0142

ChairOffice@southerntrust.hscni.net

**Executive Directors**

**Steve Spoerry**

Interim Chief Executive

Tel: 028 3756 0143

Steve.Spoerry@southerntrust.hscni.net

**Colm McCafferty**

Deputy Chief Executive (commenced 1 January 2026)

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

Tel: 028 3839 8347

Colm.McCafferty@southerntrust.hscni.net

**Dawn Ferguson**

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

Retired 26 October 2025

**Grace Hamilton**

Executive Director of Nursing, Midwifery, AHPs, Infection Prevention and Control and Functional Support Services

Commenced 27 October 2025

Tel: 028 3756 1913

Grace.Hamilton@southerntrust.hscni.net

**Catherine Marks**

Executive Director of Finance, Procurement and Estates

Tel: 028 3756 0131

Catherine.Marks@southerntrust.hscni.net

**Dr Stephen Austin**

Executive Medical Director

Tel: 028 3756 2287

Stephen.Austin@southerntrust.hscni.net

## Directors

**Deborah Burns**

Director of Operations – Adult Community and Acute Services

Commenced 9 February 2026

Tel: 028 3756 1335

Debbie.Burns@southerntrust.hscni.net

**Vivienne Toal**

Director of Human Resources and Organisational Development

Tel: 028 3756 0125

Vivienne.Toal@southerntrust.hscni.net

**Margaret O'Hagan**

Programme Director for Transformation and Improvement

Retired 30 September 2025

**Cathrine Reid**

Director of Surgery and Clinical Services

Until 21 July 2025

Project Director From 22 July to 31 March 2026

**Declan McClements**

Acting Director of Surgery and Clinical Services

Commenced 10 October 2025

Tel: 028 3756 2479

Declan.McClements@southerntrust.hscni.net

**Trudy Reid**

Director of Medicine and Unscheduled Care

Tel: 028 3756 1335

Trudy.Reid@southerntrust.hscni.net

**Brian Beattie**

Director of Adult Community Services

Tel: 028 3756 0115

Brian.Beattie@southerntrust.hscni.net

**Jan McGall**

Director of Mental Health and Disability Services

Tel: 028 3883 3222

Jan.McGall@southerntrust.hscni.net

**Elaine Wilson**

Director of Planning, Performance and Informatics.

Tel: 028 3756 0114

Elaine.WilsonDoP@southerntrust.hscni.net

**Jan McGuinness**

Interim Director of Surgery and Clinical Services

From 22 July 2025 to 9 October 2025

**Heather Trouton**

Associate Director

Heather.Trouton@southerntrust.hscni.net

**Siobhan Hanna**

Interim Programme Director for Encompass

Tel: 028 3756 1466

Siobhan.Hanna@southerntrust.hscni.net

## Non Executive Directors

**Rob Lynas**

Chair of Patient and Service User Experience Committee

Committee stood down 23 October 2025

**Liz Ensor**

Chair of Audit and Risk Assurance Committee

**Jackie Johnston**

Chair of Patient Safety and Quality Committee

Prior to 26 March 2026 the Committee was titled Governance Committee

**Geraldine Browne**

Chair of People and Culture Committee

Established 23 October 2025

**Chris Stewart**

Chair of Population Health and Partnership Committee

Established 23 October 2025

**Michele Corkey**

Chair of Charitable Trust Funds Committee

**Alastair Hughes**

Chair of Finance and Performance Committee

Prior to 23 October 2025 the Committee was titled Finance, Performance and Workforce Committee

A declaration of Board members' interests has been completed and is available on the Southern HSC Trust's website www.southerntrust.hscni.net. The Southern HSC Trust is required to disclose details of transactions with individuals who are regarded as related parties consistent with the requirements of IAS 24 – Related Party Transactions and this can be found at Note 19 to the Financial Statements.

## Audit

The Chief Executive and Directors of the Southern HSC Trust have responsibility for the preparation of the annual report and accounts. The accounts and supporting notes relating to the Southern HSC Trust's activities for the year ended 31 March 2026 have been prepared in a form determined by the Department of Health based on guidance from the Department of Finance's Financial Reporting Manual (FReM). They have been audited by the Northern Ireland Audit Office. The report of the Comptroller and Auditor General is included on pages 136 to 140.

The Chief Executive and each Director has taken all the steps that he/she ought to have taken as Chief Executive/Director to make him/her aware of any relevant audit information and to establish that the Southern HSC Trust's auditor is aware of that information. So far as the Chief Executive and each Director is aware, there is no relevant audit information of which the Southern HSC Trust's auditor is unaware.

The notional cost of the audit of the accounts for the year ended 31 March 2026 which pertained solely to the audit of the accounts is £134,000, made up as follows, public funds £125,000 and Charitable Trust Funds £9,000.

## Information Governance

The Southern HSC Trust works with the Information Commissioners Office (ICO) to resolve any complaints received by them into how the Southern HSC Trust handles data. In 2025-26 there were 4 data breach incidents reported to the ICO. None of these breaches resulted any fines. Details of how the Southern HSC Trust manages information risk is detailed in the Governance statement on pages 65 to 106.

## Complaints Management

The Southern HSC Trust is committed to providing safe, high quality, person-centred care, treatments and services. Service user feedback is of the utmost importance to the Southern HSC Trust to inform service improvement, and as such, all types of service user feedback; complaints, comments, concerns, suggestions, enquiries and compliments, are encouraged. In order to continually improve service delivery within the Southern HSC Trust, services users, family and carers are actively encouraged to provide feedback of their experiences. The Southern HSC Trust acknowledges that on occasion, things can go wrong and/or service delivery does not meet service user expectations. Feedback can be shared with the Southern HSC Trust through discussions with staff, completion of the "We Value Your Views" leaflet, through online forms available on the Southern HSC Trust website or by contacting the Service User Feedback team directly at serviceuserfeedback@southerntrust.hscni.net or telephone: 028 375 64600

All service user feedback will be received positively, sympathetically and managed in accordance with an open, honest and just culture approach. Learning identified through service user feedback is actioned and shared, with service improvements being implemented where required. Information and trends identified within service user feedback are analysed and shared with the Southern HSC Trust Senior Leadership Team, Patient Safety and Quality Committee and Trust Board.

During the financial year 2025-26, the Southern HSC Trust implemented a change in regard to how complaints are managed, in line with the Northern Ireland Public Services Ombudsman (NIPSO) Model Complaints Handling Procedure (MCHP). MCHP applies a focus on early resolution of complaints (Stage 1) with more complex complaints being managed similar to how formal complaints were managed within the previous procedure (Stage 2). The Southern HSC Trust went live with the new procedure on 1 January 2026 and continues to embed requirements during a 6 month implementation phase.

The number of complaints received during financial year 2025–26 is a combination of formal complaints managed within the previous procedure from 1 March 2025 – 31 December 2025 and Stage 1 and Stage 2 complaints managed within the new procedure between 1 January 2026 – 31 March 2026: 1098 (2024-25 formal complaints total 558).

The increase in the number of complaints is attributed to the recording of Stage 1 complaints which would have been considered as informally resolved within the previous procedure. Future reports will detail complaints managed at both Stage 1 and Stage 2.

Further information on the monitoring of complaints is contained in the Service User Feedback Annual Report, which is published on the Southern HSC Trust website.

## Rural Needs Act 2016

In line with the Rural Needs Act (NI) 2016, the Southern HSC Trust has a statutory duty to give due regard to the social and economic needs of people living in rural areas when designing and delivering its services. The Southern HSC Trust has established appropriate systems and processes to ensure compliance with the requirements of this Act. In accordance with correspondence received from Department of Agriculture, Environment & Rural Affairs, the Southern HSC Trust is preparing to submit its Rural Needs annual monitoring information for the 2025-26 reporting year in October 2026.

## Non-Executive Directors' Report

The Trust Board is made up of Non-Executive Directors and Executive Directors who work collectively on the common goal of the health and wellbeing of the population across the Southern HSC Trust who we are here to serve.

There have been new Director appointments to the Trust Board during 2025-26 and as Trust Board Chair, I welcome this strengthening and building of the Trust Board team.

Seven formal Trust Board meetings were held in public during 2025-26 when key aspects of Board business were considered under the themes of 'Experience, People and Culture', 'Strategy and Reform and Accountability', 'Stabilisation and Delivery' that align with the Department of Health's Reset Plan.

### Trust Board Sub-Committee Restructure

In 2025 the Trust Board reshaped its Board Sub-Committees to strengthen and augment the roles of the Board in setting strategy, accountability and assurance.

Following the Southern HSC Trust Annual Board Review Day on 23 October 2025 the following took place:

- A new Committee was established for Population Health and Partnership;
- A new Committee was established for People and Culture;
- The Patient and Service User Feedback Committee was stood down with the duties including engaging service users were assumed by the Trust Governance Committee and the new Population Health and Partnership Committee;
- The Strategy and Transformation Committee was stood down with the duties regarding strategy oversight reporting directly to the Trust Board; and
- The Finance, Performance and Workforce Committee was retitled Finance and Performance Committee with the workforce element transferring to the newly established People and Culture Committee.

In total the Trust Board is supported by seven Committees all of which are chaired by a Non-Executive Director as noted in the Director's report on pages 53 to 60.

Each Committee Chair presents a report to Trust Board to provide feedback on the work of their respective Committee and escalate issues of concern. The Non-Executive Directors' commitment to their role can be evidenced in the following ways:

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

## Trust Board Workshops

The Board held the following informal workshops during the year. Due to the implementation of the electronic care record, Encompass there was no 2025 Spring Trust Board Workshop.

| Date | Subject of Trust Board Workshop |
|---|---|
| 14 October 2025 | Charitable Trust Fund Board Member Training |
| 13 November 2025 | Trauma Informed Practice Board Member Training |
| 12 February 2026 | Finance Planning Workshop |

## Designated Non-Executive Director roles

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

- Mr Jackie Johnston, Designated Non-Executive for Whistleblowing.
- Mr Jackie Johnston, Designated Non-Executive Being Human Champion.
- Mr Chris Stewart, Designated Non-Executive Safety champion for Maternity.
- Mrs Michele Corkey, Designated Non-Executive for Adoption Panel.
- Mr Rob Lynas, Designated Non-Executive for Medical Appraisal and Revalidation.
- Mrs Geraldine Browne, Designated Non-Executive for Equality, Diversity and Inclusion.

## Looking Ahead

We recognise the significant challenges that face Health and Social Care and the necessary desire there is for change.

Despite these challenges, there remains a strong commitment across the system to improvement, reform, and collaboration. The dedication, compassion, and professionalism of health and social care staff are enduring strengths, as is the shared recognition that meaningful progress will require long-term planning, sustained investment, and courageous system-wide transformation.

Addressing these challenges is not a matter of recovery, but of redesigning services to meet future need—placing communities, service users, carers, and staff at the heart of change, and ensuring the system is resilient, equitable, and sustainable for generations to come.

Working collaboratively with staff, partners and stakeholders is fundamental to the delivery of high-quality, compassionate and sustainable health and social care within the Southern HSC Trust. Our ability to meet the complex and evolving needs of the population we serve depends not only on strong clinical and professional expertise, but on meaningful relationships built on trust, inclusion and shared purpose.

Our staff are the Southern HSC Trust's greatest asset. Their knowledge, experience, and commitment provide invaluable insight into what works well and where change is needed. Actively listening to staff, supporting their wellbeing, and involving them in shaping services strengthens morale, improves decision-making, and helps ensure that improvements are grounded in the realities of day-to-day care.

Equally, close partnership working with colleagues across primary care, local government, community and voluntary organisations, independent sector providers, and wider statutory partners is essential. No single organisation can respond alone to the challenges facing health and social care. By working together, we can reduce fragmentation, improve continuity of care, and better support people to live well in their own homes and communities.

We look forward to the Southern HSC Trust playing its part in the region to support the population in receiving the right care at the right time and in the right place.

**Eileen Mullan, MBE, Chair**

## Statement of Accounting Officer's Responsibilities

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

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

- observe the Accounts Direction issued by the Department of Health, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in FReM have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Permanent Secretary of the Department of Health as Principal Accounting Officer for Health and Social Care Resources in Northern Ireland has designated Mr S Spoerry, Interim Chief Executive of the Southern HSC Trust as the Accounting Officer for the Southern HSC Trust. The responsibilities of an Accounting Officer, including responsibility for the 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, Chapter 3 of Managing Public Money Northern Ireland (MPMNI) and the HM Treasury Handbook: Regularity and Propriety.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Southern HSC Trust's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

## Governance Statement for the Year ended 31 March 2026

### 1. Introduction/Scope of Responsibility

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

In delivering these responsibilities, I am accountable for Southern HSC Trust's performance to the DoH via the SPPG.

Formal performance management meetings at a senior level with the SPPG are in place and supported by a range of programme specific performance management arrangements for activities within each operational directorate.

In my role as Accounting Officer, I am supported by the Trust Board. The Board exercises strategic control over the organisation through a system of corporate governance which includes the following:

- Schedule of matters reserved for Board members at Trust Board meetings;
- Partnership Agreement;
- Standing orders including powers reserved to the Board and powers delegated to its Committees and standing financial instructions (as referred to above);
- Audit and Risk Assurance Committee;
- Patient Safety and Quality Committee (formerly Governance Committee, renamed as of 26 March 2026);
- Charitable Trust Funds Committee;
- Remuneration and Terms of Service Committee;
- People and Culture Committee (established 23 October 2025);
- Population Health and Partnership Committee (established 23 October 2025);
- Patient and Service User Experience Committee (stood down 23 October 2025, duties transferred);
- Finance, Performance and Workforce Committee, (updated to Finance and Performance Committee on 23 October 2025 with workforce element moving to the People and Culture Committee); and
- Strategy and Transformation Committee (stood down 23 October 2025, duties transferred).

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

In order to improve and assure the quality, safety, satisfaction, effectiveness and efficiency of services, Southern HSC Trust works in partnership with the SPPG, Public Health Agency (PHA), other Trusts, Co-operation and Working Together (CAWT) and other public sector partners, including elected representatives, local councils, the voluntary and community sector, universities, regulators, trade unions and the public. A range of processes are in place to facilitate and enable this partnership working, a few examples are:

- meetings with Trust, SPPG Commissioner and PHA senior teams collectively and on issue specific basis;
- monthly meetings between Trust Chief Executives and SPPG/Department of Health;
- regional and local Programme Boards to work together to implement specific aims including delivering better value;
- engagement with local GPs through locality forums and senior Trust attendance at Local Medical Committee (LMC) services development committee and specific local GP engagement as part of the Trust's established meetings arrangements;
- regular meetings with Trade Union colleagues and Trust management teams;
- fora 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 in the voluntary and community sector focussed on ensuring effective collaboration to address the specific and individual needs of local communities;
- quarterly formal meetings with the Chair, Chief and each of the five main political parties, together with regular and ongoing contact through political requests for information;
- Senior Leadership and partnership working with councils in support of local Community Plans and emergent development of the Integrated Care System;
- regular meetings in relation to the integrated care system and formation of the Area Integrated Partnership Boards;
- with service users and carers through the management of standards of patient care, service user feedback through the Care Opinion platform and patient fora and the implementation of the Trusts Working Together Strategy; and
- engagement through the co-production approach was taken to develop our Strategy 2030.

## 2. Compliance with Corporate Governance Best Practice

The Trust applies the principles of good practice in Corporate Governance and remains committed to ensuring that its governance systems and arrangements are co-ordinated and effective. Work continues on embedding the new and improved

structures and processes for corporate and clinical and social care governance across the Trust.

The Trust is reviewing its governance arrangements against the requirements set out in the **Corporate Governance Code of Good Practice NI (February 2025)** and an assessment was carried out during the year against this. This assessment was presented to ARAC on 23 June 2025 and The Board is satisfied that it complies with the principles of good governance, including leadership, effectiveness, accountability and sustainability.

The Trust also ensures it's governance statement complies with **Managing Public Money Northern Ireland (MPMNI)**, including the expectations set out in Annex 3.1, and with the structure and content guidance outlines in the **DoH ALB Manual of Accounts 2025-26**. These documents have shaped the governance framework and the preparation of this statement, ensuring it reflects current standards and reporting requirements.

To ensure compliance with Corporate Governance best practice, the Trust has in place various measures which include the following:

## Partnership Agreement

With respect to the Trust's inter-relationship with the DoH, the Partnership Agreement defines the respective roles and responsibilities of the Trust and the DoH including the mechanisms for oversight, assurance, and performance monitoring. In particular, it explains the overall governance framework within which the Trust operates, including the framework through which the necessary assurances are provided to stakeholders. Roles/responsibilities of partners within the overall governance framework are also outlined. The Trust maintains an engagement plan as part of the Partnership Agreement, facilitating structured collaboration with the DoH through formal performance meetings, strategic planning discussions and issue-specific working groups.

## Standing Orders, Scheme of Delegation and Standing Financial Instructions

The Standing Orders, Scheme of Delegation and Standing Financial Instructions are key governance documents for the Trust and are in place to provide the regulatory framework for the business conduct of the Trust and define its ways of working. In line with good governance, the Standing Orders, Scheme of Delegation and Standing Financial Instructions are constantly kept under review.

## Register of Interests

Registers of Interests for Board members and staff are in place and updated annually and where relevant, throughout the year. The Register of Interests for Board Members is publicly available on the Trust website.

## Self-Assessment

To meet the requirements in MPMNI and good governance best practice, the Trust Board undertakes regular assessments, both internal and external, of its own effectiveness. On 1 January 2025 the Southern HSC Trust had four new Non-Executive Directors appointed replacing four Non-Executive Directors whose tenure ended on 31 December 2024. Following discussion with the then Permanent Secretary at the mid-year accountability meeting it was agreed that the Southern HSC Trust Board Governance and Self-Assessment would be deferred to the 2025-26 year to allow for a bedding in period of the new Board. For the 2024-25-year Internal Audit undertook a board effectiveness review for the Southern HSC Trust which returned a satisfactory finding.

For 2025 the Southern HSC Trust piloted a version of the Public Health Agency's Board Self-Assessment tool, this completed assessment was presented and approved at our January 2026 Public Board meeting and shared with the Department of Health in February 2026. The Board will use this as a benchmark to support board development and continue with this approach in the 2026-27 year.

## Governance Framework

An Integrated Governance Assurance Framework is in place and outlines the Board's structure and processes for integrated governance and specifies the organisational and accountability arrangements that ensure fulfilment of the Board's responsibilities. It enables the setting of corporate objectives, the efficient deployment of resources towards the delivery of these priorities and monitoring of organisational performance.

This governance framework is designed to manage risk to a reasonable level as determined by risk appetites, rather than eliminate all risk, to achieve policies, aims and objectives. Therefore, it can only provide reasonable, not absolute, assurance of effectiveness. The following describes in more detail the role of the Board, its Committee structure and attendance during the reporting period.

## The Trust Board

The Trust Board currently comprises a Non-Executive Chair, seven Non-Executive Directors, a Chief Executive and four Executive Directors. Seven members of the Senior Leadership Team also attend Trust Board meetings.

The Trust Board is the corporate decision-making body. It has corporate responsibility for ensuring that the organisation fulfils the aims and objectives set by the Department/Minister and for promoting the efficient, economic and effective use of staff and other resources. It has a key role in overseeing sound financial management and corporate governance of the Trust.

The Trust Board can provide assurance that the Board has complied with its Section 75 Equality and Good Relations duties by ensuring any policies developed or renewed are subject to consideration of the groups that may be impacted. In line with the Corporate Governance Code in the key areas of leadership, the Trust's Annual Strategic Plan for 2026-27 sets out Year 2 of the implementation of the Trust's 5 year Vision and Strategy 2030, 'Together Improving Care, Transforming Lives', which was formally launched in June 2025.

During 2025-26, the Trust Board continued to meet regularly in public, both virtually and face to face. Seven formal Board meetings were held.

During the reporting period, there was one change with regard to the Executive (Voting) and two changes to the Director (Non-Voting) membership of the Board (see Directors' report on pages 53-60). The table below also reflects the members' attendance. During 2025-26 three Board workshops were held. Due to the implementation of the electronic care record, Encompass there was no 2025 Spring Trust Board Workshop.

| Name of Board Member | Attendance |
|---|---|
| **Non-Executive** | |
| Ms E Mullan, Chair | 7/7 |
| Mrs L Ensor | 7/7 |
| Mr J Johnston | 7/7 |
| Mr R Lynas | 6/7 |
| Mrs G Browne | 6/7 |
| Mr C Stewart | 7/7 |
| Mrs M Corkey | 4/7 |
| Mr A Hughes | 7/7 |
| **Executive Director (Voting)** | |
| Mr S Spoerry, Interim Chief Executive | 7/7 |
| Mr C McCafferty, Deputy Chief Executive (from 1 January 2026) Director of Children and Young People and Women's Services / Executive Director of Social Work | 7/7 |
| Mrs C Marks, Executive Director of Finance, Procurement and Estates | 7/7 |
| Dr S Austin, Executive Medical Director | 7/7 |
| Mrs G Hamilton, Executive Director of Nursing, Midwifery, AHPs, Infection Prevention and Control and Functional Support Services | 3/3 |
| Mrs D Ferguson, Interim Executive Director of Nursing, Midwifery, AHPs and Functional Support Services | 3/4 |
| **Director (Non-Voting)** | |
| Mrs V Toal, Director of Human Resources and Organisational Development | 6/7 |
| Mr B Beattie, Director Adult Community Services | 6/7 |
| Ms J McGall, Director of Mental Health and Disability Services | 5/7 |
| Ms E Wilson, Director of Planning, Performance and Informatics | 6/7 |
| Mrs T Reid, Director of Medicine and Unscheduled Care | 6/7 |
| Mr D McClements, Acting Director of Surgery and Clinical Services | 2/3 |
| Mrs D Burns, Director of Operations | 1/1 |
| Mrs C Reid, Director of Surgery and Clinical Services | 3/3 |
| Mrs M O'Hagan, Programme Director for Transformation and Improvement | 2/3 |
| Ms J McGuinness, Interim Director of Surgery and Clinical Services | 0/1 |

*The Changes in Director appointments during the year are fully described in the Directors' Report on pages 53 to 60.*

## The Board Committee structure

All Trust Board Committees are chaired by a Non-Executive Director and operate under clear terms of reference and lines of reporting and accountability which are reviewed on an annual basis. These Committees review, scrutinise and challenge the information they receive to assure the Board that Trust processes are delivering outcomes to the required standards. Minutes of the Committees are presented at Trust Board meetings in a timely manner and each Committee Chair presents a report to Trust Board to provide feedback on the work of their respective Committee and escalate any issues of concern.

In October 2025 Trust committees underwent a restructure with two committees being stood down (Strategy and Transformation Committee and Patient and Service User Feedback Committee) and two new committees established (People and Culture

Committee and Population Health and Partnership Committee) that report directly to the Trust Board. Additionally, Finance, Performance and Workforce Committee has been renamed to Finance and Performance Committee, with the workforce element managed within the People and Culture Committee

The functions of each Committee are outlined below.

## Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee supports the Trust Board and my role as Accounting Officer with regard to our responsibilities for issues of risk management, internal control and governance and provides associated assurance through a process of constructive challenge. The Committee operates in accordance with the Audit Risk and Assurance Committee Handbook (NI) 2018. The Committee comprises three Non-Executive Directors (including the Committee Chair) who are independent of Trust management. The Accounting Officer is in attendance as well as the Executive Director of Finance.

In carrying out its work, the Committee uses the findings of Internal Audit, External Audit, assurance functions, financial reporting and Value for Money activities. It approved the External Audit Strategy, the Internal Audit programme of work and reviewed progress on implementing internal and external audit recommendations. It considered reports from Internal Audit at each meeting and overall accepted the findings and recommendations of Internal Audit in its reports for 2025-26. Fraud is a standing item on the Committee's agenda and there is on-going reporting to the Committee in respect of compliance with relevant Departmental directions/circulars.

The Chair of the Audit and Risk Assurance Committee provides the Board with an Annual Report on the work of the Committee. The Audit and Risk Assurance Committee completed the Northern Ireland Audit Office (NIAO) Audit and Risk Assurance Committee self-assessment for the 2024-25 year in September 2025 and the results demonstrated that the Committee is operating effectively and complying with Audit and Risk Assurance Committee best practice. The committee sat 6 times during the year.

## Patient Safety and Quality Committee (formerly Governance Committee)

The role of the Patient Safety and Quality Committee is to provide assurance to the Board on all aspects of the safety and quality across the Trust. The Committee currently comprises 3 Non-Executive Directors (including the Committee Chair) who are independent of Trust management and 5 Executive Directors (including the Chief Executive).

The Committee provides a second line of assurance within the Integrated Governance and Assurance Framework. Its purpose is to support the Trust Board to ensure robust governance processes are in place across the whole of the Trust's activities that

support the achievement of the Trust's strategic objectives. This includes a regular review of the Trust's corporate and clinical social care governance system.

The Committee has an active role in providing assurance to the Board on the management of risk across the Trust. Members scrutinised the Corporate Risk Register at each of its meetings.

The Chair of the Patient Safety and Quality Committee provides the Board with an Annual Report on the work of the Committee. This includes an evaluation of the performance of the Committee during the year and there were no issues raised. The Committee was formally renamed from the Governance Committee to Patient Safety and Quality Committee on the 26 March 2026. The committee sat 4 times during the year.

### Charitable Trust Funds Committee

The Charitable Trust Funds Committee is responsible for providing assurance to the Board on all aspects of the stewardship and management of funds donated or bequeathed to the Trust.

The membership of the Charitable Trust Funds Committee comprises three Non-Executive Directors (including the Committee Chair), and the Executive Director of Finance.

At each meeting, the Committee monitored the use and rationalisation of funds and sought assurance that funds were not unduly or unnecessarily accumulated. The Committee continued to actively promote the use of Trust Funds and reviewed expenditure plans by Fund managers.

The Chair of the Charitable Trust Funds Committee provides the Board with an Annual Report on the work of the Committee. This includes an evaluation of the performance of the Committee during the year and there were no issues raised. The Committee sat 4 times during the year.

### Patient and Service User Experience Committee (stood down 23 October 2025 with duties transferred)

The Patient and Service User Experience Committee was established to provide 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 provided corporate oversight to matters relating to Personal and Public Involvement (PPI) and the patient and service user experience and ensured strong linkages between PPI, patient and service user experience, quality improvement and compliments and complaints with a view to identifying opportunities to deliver on-going improvements.

Membership of the committee comprised of 3 Non-Executive Directors (including the Committee Chair) and included 3 Service User Experience Members.

Due to the implementation of Encompass during 2025, the Committee sat once during the year and was subsequently stood down in October 2025 following discussion at the Board Review day, with the duties of the Committee now covered in the main by the newly established Population Health and Partnership Committee.

### Finance and Performance Committee (formerly Finance, Performance and Workforce Committee)

Previously titled the Finance, Performance and Workforce Committee, the workforce element has now been moved to the newly established People and Culture Committee. The Finance and Performance Committee is responsible for overseeing the delivery of planned results by monitoring performance against objectives and the achievement of financial targets (break-even) and oversight of financial plans through the provision of accurate and timely financial analysis, effective budget management and leadership. The Committee ensures that corrective actions are taken when necessary, within agreed timelines.

This Committee has agreed a work-plan for specific Financial and Performance Analysis against which reports will be submitted to Committee during 2026 for consideration.

The membership of the Committee currently comprises 3 Non-Executive Directors (including the Committee Chair) and 4 Executive Directors.

The Committee met twice as finance, performance and workforce and once as finance and performance during the year.

### Strategy and Transformation Committee (stood down 23 October 2025)

The Strategy and Transformation Committee was established in February 2024. The role of this Committee was to assist the Board in exercising its key function of guiding the development of the Trust Strategy 2030 within the overall policies and priorities of the Government and the HSC, defining its annual and longer-term objectives and agreeing plans to achieve them. The membership of the Committee comprised of 3 Non-Executive Directors (including the Committee Chair) and 4 Executive Directors.

The Strategy is now published and implementation is now overseen by the Board directly, therefore the committee has been stood down.

## Population Health and Partnership Committee (established 23 October 2025)

The newly formed Population Health and Partnership Committee will provide assurance to Trust Board on all matters relating to improving engagement with and the health and wellbeing of the population we serve. The Committee will receive information from the Trust, partners, patients and service users, carers and regional initiatives including the Area Integrated Partnership Board to reduce health inequalities, improve service integration and ensure our services are designed and delivered to meet the needs of individuals and communities. The Committee will conduct its functions in line with the Trust's Vision and Strategy 2030.

The Membership of this committee is comprised of a Non-Executive Director as Chair, 2 Non-Executive Directors, following recommendation from the Trust Chair, Executive Medical Director, Director Children and Young People and Women's Services /Executive Director of Social Work and Director of Performance, Planning and Informatics.

The committee plan to meet 4 times a year, in 2025-26 the Committee met once and held one workshop.

## People and Culture Committee (established 23 October 2025)

Also established in 2025, this Committee will provide assurance to Trust Board on all matters relating to workforce and organisational culture. The Committee will support the development of high quality, safe and sustainable services by ensuring the Trust attracts, retains, develops and engages a skilled, diverse and motivated workforce in line with the HSC Values, Trust strategic priorities and People Framework. The Committee will conduct its functions in line with the Trust's Vision and Strategy 2030.

The membership of the Committee is comprised of 3 Non-Executive Directors, one of whom will be designated as Chair of Committee, Director of Human Resources and Organisational Development (Lead Director for Committee), Executive Director of Nursing, Midwifery, AHPs, Infection Prevention and Control and Functional Support Services, Executive Medical Director, Executive Director of Social Work and Executive Director of Finance, Procurement & Estates.

The committee plan to meet 4 times a year, in 2025-26 the Committee met twice and held one workshop.

## Remuneration and Terms of Service Committee

The Remuneration and Terms of Service Committee advises and makes recommendations to the Trust Board on all aspects of remuneration and terms of

service for the Chief Executive, Executive Directors and all other Directors who operate at Board level within the Trust. The Committee sat 2 times during the year.

Details of the work of this committee are described within the Remuneration Report at page 107.

## 3. Business Planning and Risk Management

As Accounting Officer, I ensure that the Trust manages risk at all levels in the organisation. Business planning and risk management is at the heart of governance arrangements to ensure that statutory obligations and Ministerial priorities are properly reflected in the management of business at all levels within the organisation. The Trust's Annual Plan 2025-26, aligned with its longer-term Strategy 2030, sets out the year-zero stabilisation priorities and strategic enablers. These include a focus on safe services, financial recovery, digital readiness, co-production, and estate sustainability. Directorate and service-level implementation plans translate these priorities into actionable targets and underpin the Trust's performance and assurance mechanisms.

### Business Planning

The Annual Strategic Plan 2025-26 sets out key actions for delivery in the first year of the implementation of our new Vision & Strategy 2030, 'Together, Improving Care, Transforming Lives'. This Annual Plan will be the stepping-stone on our journey of improvement against our agreed strategic priorities. The delivery of our strategy, like its development, will be a partnership between our staff, patients/service users, our external partner and local population.

The areas of key focus as a first step in meeting our long- term strategic goals by 2030 are set against our five strategic priorities:

- Collaborative Working;
- Learning Organisation;
- Safety, Quality & Experience;
- Community First; and
- Whole-Life Approach.

Supporting the priorities identified in our Annual Plan 2025-26, each of the directorates sets out their annual directorate plans for achievement. The linkages between plans at Corporate and Directorate level are clearly stated, with a clear understanding and connection at Directorate, Team and individual level. A process of engagement with Directorate teams has been completed and specific actions and measures aligned to each service area have been identified to be undertaken in the delivery of the Annual Plan 2025-26.

Our Vision and Strategy 2030 aligns itself to the recently published Programme for Government (PfG) 2024-2027, 'Our Plan – Doing What Matters Most', which aims to deliver improved wellbeing, long term sustainability, and a thriving economy. The delivery of our Vision and Strategy will help the Trust to deliver against the agreed PfG priorities in relation to reforming and transforming health and social care and reducing waiting times.

This plan and key actions will guide us on how we support our population to remain independent in the community for as long as possible while transforming and improving access to our hospital services. The plan will also enable us to harness and grow our digital platforms in supporting the future delivery of services.

As part of its performance management function, the Trust continues to embed the Department of Health's Strategic Outcomes Framework (SOF) as the cornerstone for monitoring and driving improvement across all service areas. The SOF provides the system-wide strategic outcomes and indicators that shape how performance is assessed and how progress is measured against population-level health and wellbeing priorities, ensuring full alignment with Ministerial direction and the Programme for Government outcomes framework. Through the Integrated Care System (ICS) NI model, the Trust's performance approach now places greater emphasis on outcomes-based planning, strengthened partnership working and a population-health methodology, supported by local needs assessments and Area Health and Wellbeing Plans. This ensures that performance reporting and oversight remain tightly focused on evidence-based delivery, system integration, efficiency and the reduction of health inequalities, enabling the Trust to demonstrate accountability and sustained impact in improving outcomes for the communities it serves.

The Department of Health has introduced a revised set of planning and performance requirements for 2026-27, signalling a shift toward more rigorous and outcomes-focused oversight across all core service areas. The new draft guidance outlines detailed expectations for Trusts spanning elective care, urgent and emergency care, cancer services, older people's care, mental health, learning disability, maternity and neonatal services, and digital transformation initiatives. The breadth and depth of these changes present a more complex performance landscape for the Trust, with increased emphasis on flow, productivity, demand management, validation, standardisation, digital optimisation and reduction of inequalities.

The Trust's Performance Management function provides a critical pillar of organisational assurance, ensuring that strategic objectives, corporate priorities and service delivery commitments are met through a robust, integrated and outcomes-focused framework. Grounded in clear accountability at all levels, the framework enables systematic monitoring of performance across key domains including quality, activity, finance, workforce and patient experience, ensuring services are safe, effective and efficient while delivering positive outcomes for service users. It incorporates structured corporate planning, directorate accountability processes,

specialist and integrated performance reporting, real-time data capability and benchmarked external assurance, all of which support informed decision-making, early identification of risk, and timely corrective action. As regional planning evolves the Trust's performance management arrangements continue to adapt, maintaining strong governance alignment and reinforcing the Trust's commitment to continuous improvement, high-quality care and responsible stewardship of public resources.

## Risk Management

Risk management is an organisation-wide responsibility. Governance structures highlight that responsibility for the management of risk which lies within operational directorates and their corresponding governance arrangements, with the corporate overview role being provided by the Medical Director, as the Executive Director with delegated responsibility for risk management. The Trust has a Risk Management Strategy.

Risk Registers are maintained at Service, Divisional, Directorate and Corporate levels to record all forms of risk including clinical, operational and financial risks. There are currently 6 key risk domains on the Corporate Risk Register. As of 31 March 2026, there are 31 identified risks, of which 6 are assessed as Extreme, 18 High, 7 Medium. The Corporate Risk Register is reviewed each month by the Trust Directors at the Senior Leadership Team Risk and Assurance meeting. The updated register is provided to all sub committees of the Trust Board. Exposure to risks will be kept to a level deemed acceptable by the Trust Board. The Trust will not accept risks that materially impact on patient safety. The Trust has a greater appetite to take considered risks in terms of their impact on organisational issues.

The Risk Management Strategy describes the ongoing processes in place to identify and prioritise the risks to the achievement of the organisation's objectives and the systems that are in place for the identification, analysis, control and review of risks. The Risk Management Strategy also sets out the risk appetite of the organisation which is expressed by a series of boundaries, authorised by the Senior Leadership Team, giving clear guidance on the limits of risk and at what level in the organisation these can be managed. Delegated limits are defined for acceptance of risk, dependent up on the level of risk, i.e., Low, Medium, High or Extreme.

Handling and managing risk is a combined 'top down' and 'bottom up' approach. The Corporate Risk Register works 'bottom up' and the Senior Leadership Team act as the filter for risk issues from Directorate Risk Registers for entry of the most significant risks onto the Corporate Risk Register.

All staff are responsible for managing risks within the scope of their role and responsibilities as employees of the Trust. To support staff through the risk management process, specialist guidance and support has been available along with access to policies and procedures.

There is a structured process in place for incident reporting, analysis and the review of serious adverse incidents. The Trust continues to strengthen risk management, including adverse incident reporting and review, complaints handling and learning from events which do not go as planned, together with recognising and learning from excellence and audit.

## 4. Information Risk

Safeguarding the information held by the Trust is a critical aspect of supporting the Trust in the delivery of its objectives. Effective management of information risk is a key aspect of this.

A Trust Information Governance Framework is in place to manage risk and provide assurance. Trust Personal Data Guardians (Medical Director, Executive Director of Social Work, and the Director of Human Resources and Organisational Development as the Personal Data Guardian for Staff Information) approve data sharing, and a Senior Information Risk Owner (SIRO) (Director of Planning, Performance & Informatics) with overall responsibility for managing information risk across the Trust is in place. Designated Information Asset Owners (IAOs) are in place across the Trust to reduce the risk to personal information and provide an annual review of risk and assurance.

An Information Governance Committee is in place, reporting via the Trust's Digital Governance Steering Group to the Trust's Organisational Governance Steering Group and Patient Safety and Quality Committee. A regular programme of review by Internal Audit is in place with the last report in August 2023 providing a Limited Assurance level. All recommendations outlined within the Internal Audit report were actioned and implemented.

Trust reporting includes:

- Report on use of personal data forwarded to SIRO and Patient Safety and Quality Committee annually;
- Compliance reporting to Patient Safety and Quality Committee including Freedom of Information, Subject Access Reports, Complaints to the Information Commissioners Office, Information governance incidents and any Information breaches. In 2025-26 the Trust reported 4 data breaches to the Information Commissioner's Office (ICO); and
- Annual review of risks and assurance from IAOs. IAOs identified and documented 304 new risks associated with personal/personal sensitive information. The Information Governance Team work with IAOs to recognise and control hazards and support mitigation of the impact of risks and increase awareness among staff.

An information sharing register is in place which records the details of all episodes of sharing of Trust data with other bodies; Data Protection Impact Assessments are

carried out which include the identification of risks associated with a project or new data processing activities. The Trust continues to implement measures to comply with the UK General Data Protection Regulations (GDPR) and the Data Protection Act 2018.

The IG team support staff in understanding and managing information risk and provide support and advice. As at 31 December 2025, 88% of Trust staff were trained in Information Governance. The Trust continues to maintain oversight of information governance and information risk arrangements associated with Encompass, acknowledging that this is a complex regional system with ongoing operational and technical developments.

The Trust works closely with regional colleagues to seek assurance and provide oversight on key information governance considerations. The Trust recognises that Encompass is still in a period of transition and optimisation. As such, the Trust continues to keep local use of the system under active review, monitor any developing issues, and support staff in meeting their responsibilities.

The Trust is committed to ensuring the security of information held in electronic form is in accordance with its ICT Security Policy. The Trust is aware of the heightened international risk of Cyber-attack. The Corporate Risk Register includes Cyber risk.

The Trust continues to implement the requirements of the Network and Information Systems (NIS) Regulations and has completed the Cyber Assessment Framework (CAF). The Trust is working to complete any additional work following the assessment of the CAF return by the competent authority and will also undergo an Independent Audit in the third quarter of 2026-27.

## 5. Fraud

The Trust takes a zero-tolerance approach to fraud in order to protect and support key public services. We have put in place an Anti-Fraud & Anti Bribery Policy and Response Plan to outline our approach to tackling fraud, define staff responsibilities and the actions to be taken in the event of suspected or perpetrated fraud, whether originating internally or externally to the organisation. The Trust's Fraud Liaison Officer promotes fraud awareness, coordinates investigations in conjunction with the BSO Counter Fraud and Probity Services team and provides advice to personnel on fraud prevention, detection and reporting arrangements. Awareness training is delivered, targeted at staff with line management and delegated financial authority responsibilities, in support of the Anti-Fraud & Anti Bribery Policy and Response Plan, which are kept under review and updated as appropriate or every 3 years.

In 2025-26, there were 29 cases of suspected fraud reported by the Trust, 10 of these relate to a region wide issue around fraudulent references for agency and HSC pre employment checks. All identified actual, suspected and potential frauds are reported to the Audit and Risk Assurance Committee as a standing agenda item. 11 (38%) of

the 2025-26 reported cases involved staff pay and allowances claims, 12 (41%) related to references and qualifications provided as part of the recruitment process. There have been a further 4 cases identified during 2025-26 of agency workers submitting potentially fraudulent timesheets for payment by the Trust. These are under investigation by Counter Fraud and are referred to the PSNI when the evidence has been collated. To date the Trust's controls and recoup measures have ensured there is no loss to the Trust from these identified cases.

The Trust continues to apply the Regional HSC Framework on 'Your Right to Raise a Concern – Whistleblowing' along with the accompanying Trust Policy and Procedure. Our 'See Something, Say Something' campaign demonstrates our commitment to developing a culture where staff feel able and empowered to raise concerns.

## 6. Public Stakeholder

The Trust recognises that the involvement of service users, carers and other stakeholders in the identification and management of risk is fundamental to its Personal and Public Involvement (PPI), Population Health and Partnership, and Quality Improvement strategic agenda and operational plans.

The Trust remains committed to ensuring that the statutory duty for PPI is embedded into all aspects of its business. A Non-Executive Director chairs the newly formed Population Health and Partnership Committee, a sub-committee of Trust Board. This replaces the previous Patient and Service User Experience Committee which held oversight of PPI.

Patient and Service User Involvement is embedded within the remit of the Population Health and Partnership Committee. The committee will seek assurance that the voices of patients, service users and carers are embedded in the design, delivery and evaluation of services, and will provide assurance that co-design and co-production are embedded in how we shape our services.

Service Users and Carers contribute to the PHPC in an "in attendance" capacity and are supported to participate fully in the committee's business.

The Trust provides an annual PPI monitoring report to the PHA to provide assurance on all aspects of service user involvement and is subject to verification visits by the PHA to determine that involvement principles and practice are supported across the organisation.

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

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

A total of 296 staff and service users have completed PPI training in the year to date. Service user and carer representatives have co-produced and co-delivered 5 training sessions for staff.

Under the remit of the Trust's Working Together Strategy, operational Directorate Working Together Hubs have been established. These hubs bring together staff and service users in equal partnership to identify priorities, progress improvement projects and embed a culture of involvement across directorates. Priority setting is informed by staff and service user feedback, complaints and identified areas of risk that can be improved through involvement.

A review into the effectiveness of Working Together Hubs, carried out in 2025-26, found that they demonstrate clear value in strengthening service user involvement, improving communication, and supporting service improvement initiatives. Where Hubs are fully operational, they foster meaningful partnership working, effective project oversight, and shared learning across Directorates. Service users feel increasingly empowered, and staff recognise the benefits of collaborative improvement.

The report also found that strengthening governance, improving communication processes, and enhancing support for service user representatives will be essential to ensuring all Hubs operate at a consistently high standard.

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

In June 2025, the Trust facilitated the PHA Human Library event to enable service users to directly contribute to the assurance and monitoring process. The Human Library methodology provides a safe space for Service Users, Carers and Staff to share their lived experience of their Involvement, how they personally found it, the challenges, benefits and impacts.

In its monitoring report on the Trust's commitment to supporting engagement and involvement, the PHA states *"The Trust have been an active partner in the HSC wide collaborative monitoring arrangements and the development of the Involvement Human Library model. The quantitative and qualitative data gathered through this process provides an indicative insight into key aspects of progress in terms of embedding Personal & Public Involvement into the culture and practice of the Trusts. It is evident that there is a wide and diverse range of Involvement work going on in the Trust and an organisational commitment to grow and develop this further."*

## Register of Involvement

The User Involvement team continues to maintain a service user register to ensure that service user and carer voices and experiences are integral to decision making. There are currently 36 registered service users and carers trained in and supporting involvement practice and development across the Trust. The User Involvement Team continues to work with Trust staff, service users and local communities to promote opportunities for involvement and encourage sign-up to the register.

There are currently 146 user involvement projects and opportunities embedding the principles of co-design and co-production across the Trust.

Examples of service user involvement include:

- Care Experience Hubs within operational Directorates;
- Regional Health & Social Care PPI Involvement Forum;
- Community of Involvement Events;
- Co-Production Week 2025;
- Obstetrics and Gynaecology Reference Group;
- CYP SU/C Reference Group;
- Local Engagement Partnership;
- Volunteer Handbook review;
- Welcome Pack for Transitioning Families receiving short breaks;
- Podiatry website review and update;
- Co Production Video;
- 'Season of Life' project to support young people to cope with bereavement – top award winner at the Picker Experience Network awards 2025;
- Community Addictions Service podcast, co-produced with service users;
- Enhancing Dementia Care Training; and
- Shared Decision Making Project Team.

The User Involvement Team are available for all colleagues and service users and carers to provide support with any area of involvement and can be contacted at user.involvement@southerntrust.hscni.net

## User Involvement Champion

User Involvement Champions are staff members who have received training and support to promote and advocate for involvement within their service areas. To date, 32 staff have received induction training for this role.

## Working Together Strategy

The Trust's Working Together Strategy provides an integrated plan for improvement through involvement and is due for review in 2026-27.

Progress on the strategy is reported to the Population Health and Partnership Committee and to Trust Board.

The Care Experience Hubs embed learning from feedback using a variety of sources including governance, patient and service user experience and direct feedback from service user and carer representatives into service improvement and change opportunities.

## 7. Assurance

The Board Assurance Framework is a statutory requirement for the Trust and is an integral part of the Trust's governance arrangements. It describes the relationship between the Trust's strategic priorities, identified potential risks to their achievement and the key controls through which these risks will be managed, as well as the sources of assurance surrounding the effectiveness of these controls.

The Board Assurance Framework sits alongside the Corporate Risk Register and performance reporting to provide structured assurance about how risks are effectively managed to deliver agreed objectives. Where risks are outside the Trust's ability to solely manage, these are escalated to the Trust Board and beyond. Following a Board review day, the risk appetite was reviewed and updated and along with this, the Board Assurance Framework was refreshed and was presented to Trust Board and approved in January 2026.

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

## 8. Sources of Independent Assurance

The Trust obtains Independent Assurance from the following sources:

- Internal Audit;
- Northern Ireland Audit Office (NIAO);
- Regulation and Quality Improvement Authority (RQIA);
- Benchmarking;
- Medicines and Healthcare Products Regulatory Agency (MHRA);
- UK Accreditation Service (UKAS);
- Royal College of Radiologists (RCR);
- Human Tissue Authority (HTA); and

- General Medical Council (GMC), General Dental Council (GDC), NI Medical and Dental Training Agency (NIMDTA) and various Royal Colleges.
- Getting It Right First Time (GIRFT).

## Internal Audit

The Southern HSC 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 2025-26 Internal Audit reviewed the following systems:

| AUDIT ASSIGNMENT | LEVEL OF ASSURANCE |
|---|---|
| **Corporate Risk Audits:** | |
| Management of Simple Discharges at Craigavon Area and Daisy Hill Hospitals | Limited |
| Theatre Utilisation | Limited |
| Maternity and Gynaecology Risk Stratification Processes | Satisfactory |
| Medical Recruitment and Retention | Limited |
| Management of Agency Medical Locums | Limited |
| Children's Safeguarding – Child Protection cases | Limited |
| Management of Dementia Patients in Willow Ward | Satisfactory |
| IT Audit – Asset Management | Satisfactory: Asset lifecycle management<br>Limited: Utilisation of Trust wide End User Computer Devices |
| **Governance Audits:** | |
| Risk Management | Satisfactory |
| Management of Clinical Audit | Satisfactory |
| Implementation of the Independent Neurology Inquiry recommendations | Satisfactory |
| Management of Medical Job Planning - Follow up of 23-24 audit | Satisfactory |
| Implementation of People Framework | Limited |
| Absence Management | Satisfactory |
| Claims Management | Satisfactory |
| **Finance Audits:** | |
| Payments to Staff - Nursing | Satisfactory |
| Non Pay Expenditure in the Mental Health and Disability Services Directorate and Retained Finance | Satisfactory |
| Management of Purchased Healthcare Contracts | Limited |
| Client Monies in Independent Sector Nursing Homes (including Adult Supported Living services) | Satisfactory: Management of Client Monies in 6 of the 7 homes/facilities visited.<br>Limited: Management of Client Monies in 1 of the 7 homes/facilities visited |

| AUDIT ASSIGNMENT | LEVEL OF ASSURANCE |
|---|---|
| Management of Capital Projects | Satisfactory - Management of Major Capital Projects (except for learning)<br><br>Limited – Learning from Major Capital Projects |

## Follow Up Work

At year end, Internal Audit followed up in respect of the implementation of previous Priority 1 and 2 Internal Audit recommendations agreed in Internal Audit reports. 97% of these recommendations were fully or partially implemented at the year-end. Of the 3% of recommendations not implemented, there were no priority 1 recommendations.

In addition, there are 4 outstanding regional IT recommendations dating from 2018-19, that are the responsibility of Digital Health and Care Northern Ireland (DHCNI) in the Department of Health to implement.

Finally, regionally across Trusts, there are also two outstanding priority 1 Internal Audit recommendations relating to social care procurement. These recommendations cover domiciliary care and independent nursing/residential homes. In general, limited progress has been made across the region in the area of social care contracting and procurement, despite the longstanding nature of the issues.

The Southern HSC Trust has made significant progress in the implementation of its outstanding internal audit recommendations in the current year with 86% of the 97% being fully implemented recommendations. The Southern HSC Trust continues to closely and regularly monitor the status of outstanding internal audit recommendations via the Southern HSC Trust Internal Audit Forum, Senior Leadership Team and the Audit and Risk Assurance Committee.

## Shared Services Audits

As the Southern HSC Trust is a customer of BSO Shared Services, the following audit reports have been shared with the Southern HSC Trust for information. The recommendations in these reports are the responsibility of BSO Governance and Audit Committee to take forward.

| Shared Service Audit | Assurance |
|---|---|
| Accounts Receivable Shared Service | Satisfactory |
| Accounts Payable Shared Service | Satisfactory |
| Payroll Shared Service | Satisfactory |

The BSO Payroll Shared Services Centre (PSSC) has received satisfactory assurance in relation to the Payroll Service in 2025-26 for the second year in succession. This

recognises the improvements achieved in governance, risk and control procedures in PSSC over recent years.

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

## Overall Opinion for 2025-26

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

Satisfactory assurance or mainly Satisfactory assurance has been provided in the majority of the audits conducted in 2025-26, including in core areas such as Risk Management, Payments to Nursing Staff, Absence Management, Medical Job Planning and Management of Clinical Audit. The Head of Internal Audit acknowledges the extensive sustained focus in the organisation on addressing Internal Audit recommendations and also highlights that Limited assurance is provided in a number of areas, most notably, Implementation of People Framework, Management of Discharges, and Theatre Utilisation.

The Head of Internal Audit advises the Southern HSC Trust to focus on addressing key issues and the themes identified in the 2025-26 audits, primarily the need to develop: Effective Utilisation of and reporting from EPIC and Contract Management.

Details of the significant issues identified within the Limited assurance reports provided to the Southern HSC Trust in 2025-26 are noted below. No unacceptable assurance reports were received in 2025-26. Management have agreed appropriate timescales for all of these issues to be addressed going forward.

**Management of Client Monies in Independent Sector:** Satisfactory assurance was provided in relation to the Management of Client Monies in six of the seven Independent Sector facilities visited. There were significant issues in one of the seven facilities visited, which received limited assurance due to a significant number of control issues found, including security of bank cards, appropriate approval and receipts for service user expenditure and lack of access to bank statements.

**Management of Discharges:** Limited assurance was provided is this area, primarily due to issues associated with reliable reporting from EPIC on discharges to enable the Southern HSC Trust to accurately monitor its performance against target. Also, inaccurate recording on EPIC due to a lack of understanding/awareness by staff, under-utilisation of EPIC to assist with patient flow, potentially impacting the timeliness of discharges and finally, appropriate use of the discharge lounge.

**Theatre Utilisation:** A Limited assurance arose in this area, also due to issues associated with reliable reporting from EPIC on theatre utilisation which is still under

development. In addition, late starts and early finishes, contributed to a loss of 12% of theatre capacity in January 2026 and theatre rotas were prepared on staff availability rather than funded theatre sessions, resulting in only 83% of funded theatre activity being used. Lastly, preoperative assessments are not always being carried out timely and this is resulting in short notice cancellations which is impacting on utilisation of theatre lists too.

**Medical Recruitment and Retention:** Limited assurance is provided as the Southern HSC Trust does not have a formal medical recruitment and retention strategy and also a lack of key performance indicators to measure the recruitment journey for medical staff.

**Management of Agency Medical Locums:** Limited assurance has arisen due to two significant findings. One is in relation to use of non-contracted locum agencies in 2025-26 accounting for 24.5% spend up to January 2026, as well as the use of enhanced hourly rates even with contracted agencies. Secondly, gaps were identified in pre-engagement checks that should be performed by the agency and checked by the Southern HSC Trust.

**Children's Safeguarding:** Limited assurance was provided in this area, with four significant findings noted. These related to a lack of compliance with timelines set in the regional safeguarding procedures; the Core Group and case co-ordinators are responsible for carrying out the inter-agency work outlined in the child protection plan but a review of the child protection register found exceptions to this; exceptions were also noted with the timeliness of regular 4 weekly visits to those with a Child protection plan and finally, significant numbers of staff in the Family Intervention and Gateway Teams had not undertaken Level 2 safeguarding training.

**Implementation of People Framework:** Limited assurance has arisen due to two significant findings; one is in relation to the People Framework having expired in October 2025, with no new or updated framework in place since then. The second relates to the results of the Southern HSC Trust pulse survey in 2024 which identified a decline in overall staff satisfaction and limited action having been taken to address the results of this survey.

**Management of Purchased Healthcare:** Limited assurance has arisen due to three significant findings. The Southern HSC Trust does not have an Expression of Interest process in place for awarding these contracts to the independent sector, in the absence of a procurement solution, but uses Direct Award Contracts. The standard contract with independent hospitals is not robust in a number of areas and lastly, corporate oversight of incidents and complaints received from independent sector providers needs to be strengthened to facilitate the identification of themes or trends.

**Management of Capital Projects:** Limited assurance was provided in one area related to the learning from Major Capital Projects. The process for identifying learning

during capital projects and through Post Project Evaluations for taking into future projects needs reviewed and strengthened.

**IT Audit – Asset Management:** Limited assurance was provided on the basis that there are significant numbers of various IT Assets that are not being utilised by users or service areas across the Southern HSC Trust.

## Northern Ireland Audit Office (External auditor)

NIAO provides assurance to the NI Assembly as the statutory external auditor to the Southern HSC Trust. The external auditor undertakes an independent examination of the annual financial statements in accordance with auditing standards issued by the Auditing Practices Board.

In addition, the external auditor will provide a Report to Those Charged with Governance which brings to the attention of the Accounting Officer, audit findings and any control weaknesses identified during the course of the external audit. The external auditor reports all of these findings to the Audit and Risk Assurance Committee. There were no priority one recommendations reported.

If the Northern Ireland Audit Office conducts a Health Sector Value for Money study this is presented to the Audit and Risk Assurance Committee, however there were none presented in 2025-26.

## Regulation and Quality Improvement Authority (RQIA)

The RQIA provides independent assurance by conducting a rolling programme of planned clinical and social care governance and thematic reviews across a range of services provided by the Southern HSC Trust or those commissioned from third party providers.

The Southern HSC Trust has a system to track and monitor RQIA thematic reviews and inspections on Trust provided services and facilities. This system also tracks all related responses, along with the progress and implementation status of identified recommendations. Directors are responsible for progressing actions to ensure recommendations within their remit are achieved within their Directorates.

With regard to Independent Sector Care Home provision, the Southern HSC Trust has established quarterly RQIA and Trust interface meetings which is an opportunity to review and discuss, inspection reports and serious concerns raised by both RQIA and senior Trust representatives to ensure the appropriate supports are in place. In addition, the Southern HSC Trust has now established a similar interface forum for Independent Domiciliary Care Providers.

## Benchmarking

The Southern HSC Trust benchmarks its performance through a contract with CHKS Ltd, which undertakes comparative analysis using data supplied by the Southern HSC Trust alongside regional and national peers.

Due to the EPIC implementation in May 2025, and the subsequent availability of validated data during the system embedding period, the Southern HSC Trust was unable to provide a data submission to support external benchmarking of hospital-based data against an English peer group of comparable hospitals. NHS Benchmarking Projects typically require data collection and submission between April and July, and organisational capacity during this period was necessarily focused on supporting EPIC go-live.

In addition, the implementation of Encompass required the external provider to remap data to ensure consistent and robust comparative analysis against English peers.

This work has now been completed, with recent testing producing positive results, and the Southern HSC Trust has been requested to submit full retrospective datasets covering 2025-26.

Despite this, the Southern HSC Trust has continued to maintain the following initiatives:

## Mortality

The Southern HSC Trust CHKS benchmarking process for qualitative mortality review has been disrupted due to the implementation of Encompass in 2025-26 and availability of validated data. The Southern HSC Trust however continues to operate a monthly internal peer review of inpatient mortality that has an escalation reporting line to the Board for assurance on the safety of our services.

## Mental Health Services

In Mental Health Directorate (MHD) the Southern HSC Trust has undertaken structured benchmarking against the accreditation standards set by the Royal Colleges and nationally recognised quality frameworks including SIRAN (Safety Incident Response Accreditation Network) QNWA (Quality Network for Working Age Adults) and QNPICU foundation programme (Quality Network for Psychiatric Intensive Care Units).

The Royal College standards provide evidence-based guidance that defines best practice in clinical governance, patient safety, leadership, and service delivery. SIRAN supports systematic review and learning from incidents to strengthen and ensure risk management and organisational resilience. QNWA and QNPICU are national quality networks that set measurable standards for inpatient mental health services,

promoting excellence in care delivery, safety, therapeutic environments, and patient experience.

Benchmarking against these frameworks has enabled objective comparison of our services against best practice standards, ensuring we maintain regulatory compliance, identify areas for improvement, drive continuous quality enhancement, and demonstrate accountability. This supports a culture of transparency and learning that ensures our services remain safe, effective, responsive, and national expectation aligned.

### Summary Emergency Department Indicator Table

The Southern HSC Trust has started to explore the use of the Summary Emergency Department Indicator Table (SEDIT) Northern Ireland tool, created by GIRFT (Getting it Right First Time), for urgent care services which will provide further benchmarking information.

The SEDIT Northern Ireland provides a suite of approximately 56 key metrics that are bespoke to each Type 1 Emergency Department (ED). Many of the metrics are new ways of presenting ED data and are designed to provide a deeper understanding of an ED, its patients, processes, behaviours and performance when compared to other Type 1 EDs. The data used in SEDIT Northern Ireland comes from three distinct datasets: Northern Ireland, England and Wales.

### Energy and Carbon Benchmarking

The Southern HSC Trust undertakes external energy and carbon benchmarking to assess estate performance and drive continual improvement. Building energy performance within the Southern HSC Trust is benchmarked against industry standards published by Chartered Institution of Building Services Engineers (CIBSE), using Energy Use Intensity (EUI) and Heat Use Intensity (HUI) metrics expressed in kWh/m² to compare site performance against national healthcare benchmarks.

These intensity-based indicators enable like for like comparison across buildings of varied sizes and functions and enable carbon performance assessments. In addition, the Southern HSC Trust takes part in the ARENA Network annual benchmarking survey for Northern Ireland, this enables the assessment of energy consumption and carbon performance against other public sector organisations. These external benchmarks support governance, target setting, and identification of priority sites for energy and carbon reduction interventions via Capital investment and invest to save.

### Medicines and Healthcare Products Regulatory Agency (MHRA)

The MHRA inspects the Special Manufacturing License held by Craigavon Area Hospital Pharmacy Department. They operate a risk-based inspection programme with the last inspection of the licence being held on 6 May 2021. Based on the inspection, and subsequent correspondence, the MHRA has confirmed that

operations are in general compliance with the Guide to Good Manufacturing Practice as laid down in the Commission Directive 2003/94/EC.

### UK Accreditation Service (UKAS)

The UKAS provides independent assessment of various Trust services against national standards. Trust services which are accredited include laboratory services (biochemistry, pathology, haematology, microbiology and blood bank services).

### Human Tissue Authority (HTA)

The HTA is a regulatory body set up in 2005 following events that revealed a culture in hospitals of removing and retaining human organs and tissue without consent. The HTA regulates organisations that remove, store and use human tissue for various purposes. The HTA builds on the confidence people have in regulation by ensuring that human tissue and organs are used safely and ethically, and with proper consent. The Trust complies with the requirements necessary to hold an HTA license.

## 9. Review of Effectiveness of the System of Internal Governance

As Accounting Officer, I have responsibility for the review of effectiveness of the system of internal governance. My review of the effectiveness of the Trust's system of internal governance is informed by the work of the internal auditors, the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework and comments made by the external auditors in their management letter and other reports.

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

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

I have been advised on the implications of my review of the effectiveness of the system of internal control by the Senior Leadership Team, Trust Board, Head of Internal Audit, Audit and Risk Assurance Committee and Patient Safety and Quality Committee. I have referred to the Annual Report from the Head of Internal Audit which details the assurance levels provided from reports in 2025-26 and also the Trust's implementation of accepted internal audit recommendations. A plan to address weaknesses and ensure continuous improvement to the system is in place.

## 10. Internal Governance Divergences

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

### Prior Year Issues – Resolved

Not applicable

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

### Clinical and Social Care Risks

### Unscheduled Care (Medicine and Unscheduled Care)

The sustained demand for unscheduled care continues to present significant challenges, as reflected in the number of inpatients remaining in the Emergency Department (ED) for more than 12 hours and the ongoing difficulties in achieving the 4-hour and 12-hour performance targets. Persistent bed pressures are affecting the Trust's capacity to maintain consistent patient flow, resulting in exit block within the Emergency Department. A dedicated improvement programme remains in place and has been further strengthened through the RISE Timely Care Programme. This programme is clinically led, managerially supported, and data-driven, with a focus on four implementation pillars: Overnight Admission Avoidance, including Same Day Emergency Care; Timely Care, including effective ward processes and timely access to diagnostics; and Timely Discharge.

In line with the forecast increase in the population aged over 65 within the Southern area, the Trust is experiencing rising numbers of elderly patients being admitted with multiple underlying conditions, often resulting in longer hospital stays. Ongoing challenges in ensuring timely, safe, and effective discharge once patients are medically optimised continue to contribute to extended ED waiting times, alongside overcrowding in both the ED and inpatient wards.

Certain Trust facilities do not fully comply with Health Technical Memoranda (HTM) or Health Building Note (HBN) requirements, and the limited availability of isolation facilities can extend patients' time in ED and increase the risk of infection transmission, which may also result in prolonged hospital stays. Medical ambulatory and same day emergency care units are already established; however, further enhancement is planned to ensure full multidisciplinary team involvement and to embed a comprehensive Same Day Emergency Care (SDEC) model. This approach enables patients presenting with suitable conditions to be assessed, diagnosed, and treated without requiring a ward admission and, where clinically appropriate, to return home on the same day.

Workforce pressures continue across unscheduled care, with a high reliance on medical locums. Through the workforce stabilisation project, the Medicine and Unscheduled Care (MUSC) Directorate has made notable progress in recruiting nursing staff to fill vacancies and reducing the use of nursing agency personnel. The Trust has also appointed several consultants across a range of medical specialties, which will support workforce stability and reduce reliance on medical locums. Further medical recruitment is planned to continue strengthening staffing across both acute hospital sites.

## Recruitment

As we approach the end of 2025-26, we are seeing a continuation of ongoing work in terms of attracting staffing across all disciplines to improve on the workforce deficits and assisting managers with staffing challenges across various job families. We are focusing our efforts on considering what the new Recruitment system will also bring to Southern HSC Trust to consider talent pools and how we can improve the time to recruit. As the Trust works towards stabilising the workforce, recruitment is focused on reducing agency spend across the frameworks for moving forward into 2026-27. The HR resource dedicated to individual work placements has continued to be diverted to assist with resourcing programmes in relation to the reduction of agency spending aligned with financial plan. Significant work has been completed in addressing the onboarding of registered and unregistered bank staff onto the Nurse bank and we will hopefully see further benefits as we move into 2026-27. As a recruitment team we will focus on using the intelligence and analytics to work towards a faster and more efficient onboarding experience. Regionally a piece of work is continuing to reform Nurse Banks with a view to ensuring we develop and promote the use of our bank to reduce and ultimately eliminate the use of agency shifts with a view to significant cost reduction on our flexible workforce. Our Southern HSC Trust jobs Facebook page continues to prove effective in assisting with raising the profile of the Trust and particular posts which are difficult to fill and is supporting targeted bespoke campaigns to support areas where there are specific workforce challenges, including medical roles, admin roles, nursing support roles and social care support roles. We are receiving positive feedback on this page and we hope that this will continue into 2026-27.

Significant progress has been made in relation to recruitment of registered nurses, and we are currently focusing on securing posts for our next intake of Nursing graduates, alongside bespoke campaigns to stabilise the nursing workforce for particular areas such as ED. We are currently recruiting to our Nurse Bank as a measure to reduce agency.

Recruitment of the medical workforce remains challenging in a number of specialties. In response, we have been developing a Medical and Dental Resourcing and Retention Strategy, which is currently being consulted on with clinical and operational leads. This strategy provides a structured and proactive framework for monitoring fill rates across medical posts and sets out targeted actions to maximise recruitment and retention, particularly in hard to fill specialties. In parallel, a new regional Medical and Dental Agency Framework was implemented across Northern Ireland from 2 March 2026, significantly increasing the number of approved framework agencies available. This is expected to improve access to compliant locum cover and support a more competitive and sustainable agency market, contributing to the reduction of overall locum expenditure. These developments form part of a wider, coordinated regional and local approach to stabilising the medical workforce over the next two to three years, alongside strengthened system working in recruitment and retention, resident doctor allocation, and workforce planning.

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

**General Internal Medicine and Gastroenterology:** There remains an ongoing challenge in attracting Consultant Physicians; this is a recognised difficulty both locally and nationally. The impact of medical staff challenges has impacted in year on the ability to deliver safe general medical services over the two acute hospital sites. Services, and in particular Gastroenterology, have been particularly impacted. The Trust has successfully recruited one gastroenterology consultant, a second consultant was recruited in October 2025 but declined the post, however subsequently the Trust has recruited another consultant with expected start date in Autumn 2026, further recruitment is ongoing. Vacancies had impacted on service delivery with red flag waiting times extended, with the support of SPPG the Trust initiated independent

sector contracts with red flag waiting times at 2 weeks. Other risks related to gastroenterology include supporting the inpatient workload, which is currently supported by locum consultant cover, this is adversely impacting length of stay. The Trust is working with the gastroenterology clinician to move back to daily gastroenterologist reviews at ward level.

There has been some positive recruitment with the appointment of new Consultants within Medicine and Unscheduled Care through local and international recruitment and local recruitment processes. There has been recruitment in general medicine with specialist interests including respiratory and diabetes and endocrinology. Specialist service such as neurology and rheumatology has also recruited consultant staff. As part of the modernisation and efficiency work streams the MUSC Directorate is reviewing current models of care and clinical engagement. There remain medical staffing gaps. Additional consultant recruitment advertising campaigns continue to further stabilise the medical workforce in both Acute Hospitals.

- **Home Care (formerly Domiciliary Care)**

The importance of the Home Care sector in supporting Health and Social Care (HSC) generally, should not be underestimated. However, there are a range of historical issues and challenges in relation to this sector that require to be addressed. These include: the lack of procurement of sufficient new capacity from Independent Home Care Agencies, a lack of a regionally agreed model of Home Care, reduced capacity within some providers and some issues around agreeing home care invoicing on occasions. These issues have persisted through the 2024-25 period, continued through the 2025-26 period and will continue into the new 2026-27 period. The DOH/ SPPG established a number of Regional Social Care Collaborative Forums and their work includes a focus on maximising current capacity in advance of agreeing a new Regional Home Care Contract.

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

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

The Trust commenced a digitalisation project within the in-house Trust Home Care service in August 2024. In the first instance it introduced the use of iPads to approximately 1,180 staff, facilitating timely electronic rota management and communication between Home Care staff and the office. For the first time ever, all 1,180 Trust Home Care staff have been provided with access to a Trust email account.

Building on this, the Care Line Live app has been implemented in the Newry and Mourne area and is now being rolled out in the Craigavon and Banbridge locality. There is a plan to implement in the Armagh and Dungannon locality, with a target completion date during 2026. This app will enable the implementation of a Real Time Monitoring solution across the whole in-house Trust Home Care service. The implementation of a Real Time Monitoring system is regarded as a key enabler to support the delivery of a high-quality service. This will also ensure that the Trust makes best use of the existing Home Care capacity, identifying capacity and basically "freeing time to care" to direct to the unmet need across the Trust area, which, as of 19 March 2026 equates to approximately 811 service users on a waiting list for a Home Care package of care. To deliver this level of care would require additional capacity in the system to deliver approximately 6795 hours per week at a cost of approximately £8m per year. This is beyond the Trust's current commissioned levels of Home Care.

- **Report on Inquiry into Hyponatraemia-related Deaths**

Trust level responsibility for assurance surrounding the inquiry oversight transferred to the Trust Safety and Quality Steering Group in October 2023. The Trust continues to monitor the progress of implementation of the Hyponatraemia recommendations and provide assurance through six monthly progress reports. Progress is onward reported via the SLT Risk and Assurance and also provided to Patient Safety and Quality Committee. During 2023, the Department of Health amalgamated the Inquiry into Hyponatraemia Related Deaths and Independent Neurology Inquiry Boards, forming the new Inquiries Implementation Programme Management Board (IIPMB) which now has oversight of recommendations from both programmes. Progress has been made in the past year on a number of recommendations, however, there is still a portion outstanding which rely on DoH input and the Trust continues to engage with DoH colleagues in relation to this cohort and implements the recommendations and guidance provided.

- **Cytology**

The Trust completed the Cervical Cytology Review during 2024-25 and published results in December 2024, alongside the publication of the PHA Review of Cervical Cancer within the Southern Trust Area. Further to this, the Trust and the PHA sought independent external opinion on the content of these reports and this external opinion was published in late 2025. Finally the multi-patient SAI for 12 cervical cancer patients has completed and is due to be shared with the families (and submitted as usual to SPPG) in mid-April.

- **Urology Public Inquiry**

In November 2020, the then Health Minister announced a Statutory Public Inquiry into Urology Services in the Southern HSC Trust. The Urology Services Inquiry (USI) was

formally set up on 6 September 2021, with Christine Smith KC appointed as Chair. The Trust has continued to provide evidence through discovery, at the request of the USI, and the Inquiries Act 2005 section 21 (S21) process remains active. An extensive redaction process took place and the majority of S21 material is now available on the Inquiry website (there are still three S21's that the USI have to redact).

On 17th December 2025, The Chair of the Inquiry published a statement which advised that the panel have been drafting the report which is now at an advanced stage. She advised that it is her intention to issue warning letters in early 2026 to those who may be the subject of significant criticism in the report. Once replies to those letters have been received the report will be finalised and sent for printing. It is anticipated that the completed report will then be submitted to the Minister. In this statement Ms Smyth KC advised that she was not in a position to provide specific dates of when the report would be finalised and published.

The Chair, Chief Executive, Medical Director and Lead for Inquiries have also met with the Trust's legal Team to discuss next steps and support for staff.

- **Inpatient Dementia Services**

Older People's Mental Health services, inclusive of dementia services and psychiatry of old age services are provided by community teams across the three localities of the Southern HSC Trust and are supported by hospital inpatient assessment and treatment beds. Significant staffing recruitment and retention challenges in relation to Consultant Psychiatrists of Old Age emerged during 2022-23.

The Southern HSC Trust had patient safety concerns as there was no aligned/available Consultant Psychiatry cover for the 17-bedded Gillis dementia assessment and treatment unit, a stand-alone unit on the St. Luke's site in Armagh. This is a service in respect of a vulnerable patient group with a dementia diagnosis, often in addition to multiple comorbidities and significant behavioural challenges. The extant service provision was unsustainable and there was a need to instigate an interim change in service delivery to ensure safe and effective care. Following a public consultation (December 2022) the final recommendation of the creation of a bespoke dementia inpatient assessment and treatment unit on the Bluestone Unit was accepted by Trust Board in March 2023. This position is currently under consideration by SPPG and the Southern HSC Trust continues to await the outcome of the SPPG deliberations.

Pressures remain in respect of consultant psychiatry medical staffing as noted above.

- **UK COVID-19 Public Inquiry**

In common with other Trusts, the Southern HSC Trust has responded to a number of Rule 9 requests (a formal request for information), relating to various modules of the

Covid-19 Public Inquiry. The Inquiry has commenced the hearings for the final Module - 10 (Impact on Society), so it is anticipated that there should be no more Rule 9's for the Trust. The Inquiry has also commenced their publication of the module findings and recommendations, Module 1, Module 2, 2A, 2B and 2C are completed, with Module 3 and Module 4 findings and recommendations published in mid-March and April. The Trust are part of the working groups that the Department of Health have set up to ensure the implementation of all of the recommendations coming from these reports. As work is on-going on these groups with more Module recommendations to be finalised there is no indication what the future demands will be on the Trust, so it is currently difficult to assess the on-going risk and impact.

## Financial Risks

- **Budget Position and Financial Outlook**

2025-26 was a challenging financial year with the initial plan identified an opening recurrent forecast deficit of £73m. As part of the 2025–26 financial planning cycle, the Southern HSC Trust developed a financial strategy in response to the regional budget announcement. Following a comprehensive review of expenditure across all Directorates, the Trust Board and SPPG approved £30m of savings (low to medium risk to services and patient safety), resulting in an endorsed Opening Financial Plan with a forecast deficit of £43m, approved at Trust Board on 29 May 2025.

In June 2025, SPPG required Trusts to deliver additional savings as part of a two phased regional approach. For Southern HSC Trust, Phase 1 required a further £5m of savings, increasing the Trust's total savings requirement to £35m. A revised financial plan submitted on 9 July 2025 reduced the forecast deficit to £37.6m, returning the Southern HSC Trust to its 2024–25 outturn position.

The Southern HSC Trust's RISE programme, established in 2024–25, continued to oversee delivery of savings in 2025–26, with monthly reporting and senior oversight.

Significant underlying recurrent pressures persist, compounded by in year demand growth. Phase 2 of the regional savings programme required a further £100m reduction across Trust baselines, with Southern HSC Trust's share estimated at £16.4m.

In July 2025, the Southern HSC Trust received formal notification of its opening allocation for 2025–26, including £21.19m of non-recurrent deficit support funding. This reduced the forecast deficit to £16.4m, equivalent to the Phase 2 savings requirement.

Following direction from the DoH Permanent Secretary in September 2025, the Southern HSC Trust developed a plan to achieve break even by 31 March 2026. This plan highlighted financial risks, with a focus on savings measures with the least impact on service delivery and patient safety. On 25 September 2025, the Trust Board approved immediate implementation of £3.63m of low/medium risk savings, while deferring decisions on higher risk measures pending further guidance from SPPG/DoH. By Month 6, the forecast deficit had reduced to £12.8m.

Further savings approvals and favourable in year movements reduced the deficit to £6.3m by Month 7. From Month 8 onwards, the Southern HSC Trust forecast a break even position, driven by additional savings delivery, directorate underspends (notably in Mental Health Directorate), and increased client contribution income.

The Southern HSC Trust achieved break even in 2025–26 through a combination of £21.2m deficit support funding and successful delivery of £43m of savings

## Looking Ahead to 2026–27

The financial outlook for the Northern Ireland public sector remains extremely challenging, with pressures across Health and Social Care expected to intensify over the coming years. The Southern HSC Trust anticipates that 2026–27 will be another exceptionally difficult year, reflecting a significant funding gap arising from the proposed budget allocation.

The Budget Act (Northern Ireland) 2026, which received Royal Assent on 20 March 2026, together with the Northern Ireland Spring Supplementary Estimates 2025-26 which were agreed by the Assembly on 23 February 2026, provide the statutory authority for the Executive's final 2025-26 expenditure plans. The Budget Act (Northern Ireland) 2026 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2026-27 financial year. The Department is currently operating under the authority provided by the Vote on Account which provides 45% of the 2025-26 financial year's cash and resources. The cash and resource balance to complete for the remainder of 2026-27 will be authorised by the 2026-27 Main Estimates and the associated Budget Bill based on an agreed 2026-27 Budget.

In the event that this is delayed, then the powers available to the Permanent Secretary of the Department of Finance under Section 59 of the Northern Ireland Act 1998 and Section 7 of the Government Resources and Accounts Act (Northern Ireland) 2001 will be used to authorise the cash, and the use of resources during the intervening period.

These pressures coincide with rising demographic demand, including an ageing population, increasing frailty, higher prevalence of chronic disease and more complex comorbidities. Demand continues to grow across emergency, acute, community, mental health and primary care services without a commensurate increase in funding, resulting in escalating waiting lists and sustained service pressures. In addition, the Southern HSC Trust's estate has suffered prolonged underinvestment and requires substantial redevelopment, particularly across its two acute hospital sites. These challenges are also adversely affecting workforce, further exacerbating existing recruitment and retention difficulties.

Achieving financial break even in 2026–27 will be highly challenging for the Southern HSC Trust and the wider HSC system. It remains essential that limited resources are prioritised to maintain safe services and deliver the best possible outcomes for the population. Continued transformation and service reform will be critical to safeguarding essential services for the future.

Strategic and Operational draft Planning Guidance for 2026–27 was issued on 12 February 2026. The Southern HSC Trust submitted an initial response, including a draft financial plan, in February 2026, followed by a further submission in March 2026 after feedback from SPPG and the Public Health Agency. While the budget position has yet to be finalised, the Southern HSC Trust continues to plan for and respond to the significant level of savings required to achieve financial balance in 2026–27, prioritising measures that minimise the impact on service delivery.

## Social Work Services

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

Mitigating actions have been implemented including introduction of using a mix of qualified social workers, creation of a new Band 5 Senior Support Officer role, and social work assistants ('skills mix') in front line children's social work teams. These posts create additional capacity for qualified social workers to respond to and manage Children's Safeguarding work and statutory tasks pertaining to Looked After Children (LAC). This initative has been developed in collaboration with the Chief Social Worker and SPPG and is in reponse to recurrent social work vacancies.

This, combined with application of Quality improvements initiatives, has resulted in reductions in Family Support unallocated cases. The service continues to experience

an upwards trajectory in the numbers of children becoming Looked After which is creating considerable challenges in respect of care placement capacity.

In addition, and directly linked to substantive social work vacancies, the service is now experiencing a small number of unallocated Looked After Children cases and a corresponding breach in Directed Statutory Functions (end of February 2026 unallocated Looked After Children from population of 700). The service has very specific Governance and review arrangements in place and the young people concerned are in stable long term foster care placements. The Southern HSC Trust is committed to exiting unallocated LAC cases as soon as social work workforce capacity permits.

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

The Southern HSC Trust has experienced an improved situation this summer with 31 additional newly qualified social workers joining children's service. There is ongoing work to promote social work as an attractive career opportunity to secondary school aged young people and undergraduates. This includes hosting a specific careers event within the Trust and participation in regional careers events on an annual basis. The Trust has increased the number of practice learning places offered to social work students in line with additional funded places that the Department of Health have commissioned, including an increase of places offered via the Open University route for experienced social care workers within the Trust. Structured induction is being provided, alongside enhanced supports for their first year in employment.

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

The Trust is committed to eradicating unallocated Looked after children cases as soon as social work capacity facilitates same. The service has an updated target of achieving this by Autumn 2026.

As a consequence of increasing demand, children's service have experienced an increase in unallocated children with disability cases. New investments have facilitated the introduction of skills mix which is currently being imbedded into the service and it is anticipated this will significantly reduce unallocated cases in Children With Disabilities service by late summer 2026.

## Maternity and Gynaecology

The Southern HSC Trust is committed to delivering a safe and sustainable Obstetrics and Gynaecology service to the Southern HSC Trust population which includes the continuation of services on both acute hospital sites. Unfortunately, due to the workforce challenges there have been occasions the Southern HSC Trust has been unable to safely provide services on both sites and consequently diverts have been put in place to manage patient acuity, volume of patients and support the workforce to maintain a safe service. These diverts are very limited and part of site escalation protocols for maintaining safe services. Recruitment of midwifery posts has taken place with good results; and the service is now stable with a near full complement of staff and an ability to recruit into any emerging vacant posts. Consequently, with the increased stability in both Acute and community midwifery services, focus has now moved to strengthening Governance processes and service development.

There have been ongoing challenges in Obstetrics and Gynaecology to recruit to consultant level. There is a shortage of obstetrics and gynaecology consultants, both within NI and nationally (UK wide), which has contributed to recruitment challenges, and with recent retirements and resignations on the Daisy Hill site, there is now a reliance on locum doctors to assist in the running of the service, however, recent recruitment has been successful in appointment of a substantive post and there has been a more encouraging response to recent advertisement for a Gynaecology post. Challenges remain in respect of securing adequate numbers of consultants to meet service demands. The Trust is mindful in respect of the emerging increased specialism in Gynae or Obstetrics and future planning and rota developments need to consider this.

The service has made progress via the Gynae collaborative in respect of reduction on 3 year plus PTL and is committed to working with regional colleagues in maintaining this momentum. However, sustaining progress in both Gynae and Obstetrics will be dependent on having sufficient resources to recruit to both specialisms. Consequently the Trust is developing a business case to this effect which will be shared with the commissioner.

The Trust continues to engage with experts and service leads in agreeing a sustainable long-term model of Maternity services.

## Haematology

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

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

The Southern HSC Trust engaged 2 Locum Consultants in May 2025. The 2 Locum consultants brought more stability to the service. Unfortunately, 1 locum left in September 2025 but was quickly backfilled. The 2 locums are both on extended leave (4-6) weeks, backfilled with another locum until end of March 2026.

The Trust continues to work with SPPG on a business continuity plan to deal with this and will try to recruit to fill this recent and more long term vacancies. Current consultant advert has closed with one applicant.

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

## Trust Service Development over last two years

- There has been substantial investment and work in the development of non-medical roles within the haematology services, including prescribing pharmacists, advanced nurse practitioners, nurse practitioners and a physician assistant;
- Recruitment of a doctor at Specialist grade to lead on the acute haematology inpatient ward;
- Currently a clinical fellow post is advertised; and
- Optimising the treatment pathways for the patients and implementing National Institute for Health and Care Excellence (NICE) guidelines to provide an effective service.

## Former Provisional Internal Controls Issue – IT Outage (September 2025)

As reported in the Mid-Year Assurance Statement submitted to the Department of Health, a full network outage occurred within the Southern HSC Trust on 17 September 2025, which resulted in temporary loss of access to key clinical systems and the declaration of a Major Incident.

At that time, the issue was recorded on a provisional basis pending the outcome of a detailed technical investigation. The investigation has since concluded and confirmed that the outage was attributable to an isolated infrastructure issue managed by the

Network Infrastructure Support Provider. It was classified as a non-cyber incident and was not linked to the implementation of the Encompass Programme or the EPIC system.

Based on the findings of this investigation, it has been determined that this incident does not constitute an internal control divergence within the Southern HSC Trust. Appropriate actions were taken at the time to ensure patient safety and service continuity, and no further control weaknesses have been identified.

Accordingly, this matter is now considered closed and is not reported as an internal control divergence in the final year-end position.

## Current Year Issues - Closed

Not applicable.

## New Ongoing Governance Issues in 2025-26

### Cell Pathology Irregular Capital Expenditure

During the year £130k of irregular capital expenditure was incurred in relation to the costs associated with the HSC contract for cellular pathology.

It is estimated that between 70 to 80% of clinical diagnoses and around 95% of all clinical pathways depend on a pathology result right through from the GP surgery to the operating theatre and this service is therefore critical to the operation of the HSC.

In order to ensure continuity of this critical service delivery in February 2026 the Department of Health Accounting Officer authorised the award of a contract for the delivery of cellular pathology services in the absence of a Department of Finance approved business case. Vital equipment supporting this service had reached or was close to reaching end of life and this posed a significant risk to service continuity.

The two options available were to either award the contract renewal based on 2023 tender prices that expired at the end of March 2026 or to recommence a lengthy procurement process, requiring the use of an estimated 70 plus Direct Award Contracts in the interim, likely at a higher cost and continuing to expose the service to an unacceptable level of risk.

Whilst falling short of the evidence normally required to support an expenditure decision, evidence was assembled that strongly supports the decision to award the tender to protect this critical service delivery.

Department of Finance were also advised of the situation prior to award of the contract and an attempt made to secure their approval. However, in the absence of a compliant business case this was not possible.

A number of lessons have already been learned from this process, not least the benefits of the development of a robust business case to support future expenditure decisions and the need to have appropriate project management structures in place. A comprehensive review of lessons learned is underway.

In response to the identified control divergence, the Trust is strengthening pre procurement controls to ensure that procurement activity does not proceed without an appropriate, completed and formally approved business case in line with Trust business case guidance.

The Trust has also been engaging with BSO PaLS to strengthen the latest Service Level Agreement to set out clear responsibilities for both parties in terms of ensuring that relevant business cases are approved in advance of the procurement proceeding and PaLS request for new tender documentation also seeks assurance concerning appropriate business case approval.

These actions address the underlying control weakness and establish a more robust and consistent assurance framework across both local and shared service arrangements.

This contract has a duration of 8 years and the Trust plan to also spend £3m in future years.

## 11. Conclusion

In light of the overall satisfactory assurance from the Head of Internal Audit on the system of operation of internal controls in the Southern HSC Trust during 2025-26, I am satisfied that the system of internal control, risk management and governance is operating effectively, while recognising that some areas require continued focus and improvement. I confirm that action plans are in place to address any outstanding issues identified during the year.

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

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

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

**Steve Spoerry, Interim Chief Executive**

**Date: 25 June 2026**

## REMUNERATION AND STAFF REPORT FOR THE YEAR ENDED 31 MARCH 2026

### Remuneration Report

### Scope of the report

The Remuneration report summarises the remuneration policy of the Southern HSC Trust and particularly its application in connection with senior executives. The report also describes how the Southern HSC Trust applied the principles of good corporate governance in relation to senior executives remuneration in accordance with Circular HSC (SE) 1/2026 issued by the Department of Health (NI).

### Membership of the Remuneration and Terms of Service Committee

The Remuneration and Terms of Service Committee oversee remuneration and other terms and conditions of Senior Executives.

The Remuneration and Terms of Service Committee of the Southern HSC Trust includes the Trust's Chair and two Non-Executive Directors of the Trust.

The Committee is supported by the Trust's Chief Executive and the Director of Human Resources & Organisational Development.

The terms of reference of the Committee are based on Circular HSS (PDD) 8/94 Section B.

### Policy on the Remuneration of the Chief Executive and Directors

The Policy on Remuneration of the Trust's Senior Executives for current and future financial years is the application of terms and conditions of employment as provided and determined by the Department of Health.

Fees and allowances paid to the Chair and other Non-Executive Directors are as prescribed by the Department of Health.

For the purposes of this report the pay policy refers to Senior Executives, defined as Chief Executive, Executive Director and Functional Director and is based on the guidance issued by the Department of Health on job evaluation, grades, rate for the job, pay progression, pay ranges and contracts.

### Trust Board

The Trust Board determines the strategic and operational corporate objectives for the Trust for the year ahead. This takes into consideration the parameters established by

the Department of Health and to incorporate the objectives within the Service or Trust Delivery plans.

## Performance Objectives

Performance objectives are linked to Trust service delivery and development plans. Performance objectives are clear and measurable.

## Performance Evaluation

Pay progression is determined by an annual assessment of performance. It is the responsibility of the Remuneration and Terms of Service Committee to monitor and evaluate the performance of the Chief Executive ensuring that any discretionary awards in terms of performance related pay are justifiable in light of the Trust's overall performance.

The Chief Executive is responsible for the assessment of performance of the Senior Executives based on the attainment of individual objectives established at the outset of the year. The Chief Executive is also responsible for the submission of recommendations to the Remuneration and Terms of Service Committee for its annual review of salaries which are conducted in accordance with the relevant circulars issued by the Department of Health.

The evaluation of performance is based on evidence of achievement of service and task objectives relating pay to performance. This process is completed in accordance with Circular HSC (SE) 1/2025, Annex C Senior Executives' Performance Management Scheme Revised 2025. The individual performance review bands are as follows:

- Satisfactory
- Unsatisfactory

These revised arrangements were introduced in response to the review of Senior Executive pay, independently carried out during 2023, and following the approval of the Minister of Health. The overall objective of the new arrangements is to achieve a fair, transparent, affordable and defensible pay and grading system for all Senior Executives employed within the HSC. A feature of the new arrangements will be progression through the pay range subject to satisfactory performance.

Alongside these new arrangements, during the 2025-26 year, the Department of Health commissioned the global organisation consulting firm, Korn Ferry, to conduct a job evaluation review of all Senior Executive posts across the HSC. The outcomes of this review have been released. There is a final stage opportunity for each Senior

Executive to appeal the job evaluation post level outcome. An appeal can be submitted up to 31 May 2026.

The Remuneration and Terms of Service Committee is fully conversant with organisational performance via regular reports to Trust Board. The levels of performance pay applied by the Remuneration and Terms of Service Committee are prescribed by Department of Health. All pay awards have been paid for each year including 2025-26.

## Temporary / Interim Cover

- **Mr Steve Spoerry,** who commenced the role of Interim Chief Executive effective on 23 March 2025, has continued in post throughout 2025-26, pending recruitment to the substantive post in Autumn 2026.

- **Mr Colm McCafferty,** Executive Director of Social Work and Director of Children, Young People and Women's Services, was designated Deputy Chief Executive effective from 1 January 2026. The Deputy Chief Executive remit is in addition to the postholder's own portfolio. This appointment is for a period of 3 years, and it will be subject to review at the end of this period.

- **Mrs Cathrine Reid,** substantive Director of Surgery and Clinical Services held a Project Director role aligned to the Southern HSC Trust's Timely Care Programme within Adult Community Services from 22 July 2025 until 31 March 2026.

- **Ms Jan McGuinness,** held the role of Interim Director of Surgery and Clinical Services effective from 22 July 2025 until 9 October 2025, covering Mrs Cathrine Reid.

- **Mr Declan McClements,** was appointed to the role of Acting Director of Surgery & Clinical Services effective from 10 October 2025. This is on-going pending recruitment to the permanent post following the retirement of the substantive postholder, Mrs Cathrine Reid on 31 March 2026.

## Retirements

- **Mrs Cathrine Reid,** substantive Director of Surgery and Clinical Services retired on 31 March 2026.

- **Mrs Dawn Ferguson,** Interim Executive Director of Nursing, Midwifery, AHPs and Functional Support Services retired on 26 October 2025.

- **Ms Margaret O'Hagan,** who was the temporary Programme Director for Transformation and Improvement retired 30 September 2025 (this role has not been replaced).

## New Appointments

- **Mrs Grace Hamilton**, was permanently appointed to the role of Executive Director of Nursing, Midwifery, AHPs, Infection Prevention and Control and Functional Support Services effective from 27 October 2025, following the retirement of Mrs Dawn Ferguson.

- **Mrs Deborah Burns,** was permanently appointed to the new role of Director of Operations – Adult Community and Acute Services effective from 9 February 2026.

## Service contracts

During 2025-26, all contracts were permanent with the exception of those posts noted above. As far as all Senior Executives are concerned, the provisions for compensation for early termination of contract are in accordance with the appropriate Departmental guidance.

A three month notice period is to be provided by either party except in the event of summary dismissal. There is nothing to prevent either party waiving the right to notice or from accepting payment in lieu of notice.

All Senior Executives in the year 2025-26, except the Medical Director, are employed on the Department of Health (NI) Senior Executive Contract. The contractual provisions applied are those detailed and contained within Circulars HSC (SE) 1/2026.

The Medical Director is employed under a contract issued in accordance with the HSC Medical Consultant Terms and Conditions of Service (Northern Ireland) 2004.

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

The Interim Programme Director / SRO for 'Encompass' Programme is employed under Agenda for Change Terms and Conditions of Service.

## Compensation for Loss of Office (Audited)

No compensation for loss of office was paid in 2025-26.

## Senior Employees' Remuneration (Audited)

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

| | 2025-26 | | | | 2024-25 | | | |
|---|---|---|---|---|---|---|---|---|
| Name | Salary £000 | Benefits in Kind (Rounded to nearest £100) | Pensions benefit (Rounded to nearest £1,000) | Total £000 | Salary £000 | Benefits in Kind (Rounded to nearest £100) | Pensions benefit (Rounded to nearest £1,000) | Total £000 |
| **Non-Executive Members** | | | | | | | | |
| Ms E Mullan (Chair) | 35-40 | 6 | - | 35-40 | 30-35 | 2 | - | 30-35 |
| Mrs L Ensor | 5-10 | 4 | - | 10-15 | 5-10 | 3 | - | 5-10 |
| Mr J Johnston | 5-10 | 3 | - | 5-10 | 5-10 | 2 | - | 5-10 |
| Mr R Lynas | 5-10 | 3 | - | 5-10 | 5-10 | 2 | - | 5-10 |
| Mrs G Browne | 5-10 | - | - | 5-10 | 0-5 (FYE 5-10) | - | - | 0-5 (FYE 5-10) |
| Mr C Stewart | 5-10 | 3 | - | 5-10 | 0-5 (FYE 5-10) | - | - | 0-5 (FYE 5-10) |
| Mrs M Corkey | 5-10 | 1 | - | 5-10 | 0-5 (FYE 5-10) | - | - | 0-5 (FYE 5-10) |
| Mr A Hughes | 5-10 | 2 | - | 5-10 | 0-5 (FYE 5-10) | - | - | 0-5 (FYE 5-10) |
| Ms G Donaghy (To 31 December 2024) | N/A | N/A | N/A | N/A | 5-10 (FYE 5-10) | 1 | - | 5-10 (FYE 5-10) |
| Mr M McDonald (To 31 December 2024) | N/A | N/A | N/A | N/A | 5-10 (FYE 5-10) | 1 | - | 5-10 (FYE 5-10) |
| Mrs P Leeson (To 31 December 2024) | N/A | N/A | N/A | N/A | 5-10 (FYE 5-10) | 1 | - | 5-10 (FYE 5-10) |
| **Executive Members** | | | | | | | | |
| Mr S Spoerry - Interim Chief Executive | 185-190 | 2 | 45 | 230-235 | 0-5 (FYE 180-185) | - | - | 0-5 (FYE 180-185) |
| Mr C McCafferty - Director of Children and Young People and Women's Services/ Executive Director of Social Work/ Deputy Chief Executive (From 1 January 2026) | 120-125 | 2 | 18 | 140-145 | 120-125 | - | 37 | 160-165 |
| Mrs C Marks - Executive Director of Finance, Procurement and Estates | 115-120 | - | 27 | 145-150 | 110-115 | - | 20 | 130-135 |
| Dr S Austin - Executive Medical Director | 240-245 | - | 105 | 345-350 | 235-240 | - | 98 | 330-335 |
| Mrs G Hamilton - Executive Director of Nursing, Midwifery, AHP's, Infection Prevention and Control and Functional Services (From 27 October 2025) | 45-50 (FYE 110-115) | 1 (FYE 2) | 56 (FYE 131) | 100-105 (FYE 240-245) | N/A | N/A | N/A | N/A |
| Mrs D Ferguson - Interim Executive Director of Nursing, Midwifery, AHP's and Functional Support Services (To 26 October 2025) Note 1 | 60-65 (FYE 110-115) | 2 (FYE 3) | - | 60-65 (FYE 110-115) | 55-60 (FYE 105-110) | 1 (FYE 2) | 86 (FYE 159) | 140-145 (FYE 265-270) |
| Dr M O'Kane - Chief Executive (To 31 December 2024) | N/A | N/A | N/A | N/A | 215-220 (FYE 215-220) | - | 131 (FYE 144) | 345-350 (FYE 360-365) |
| Mrs H Trouton - Executive Director of Nursing, Midwifery, AHP's and Functional Support Services (To 3 October 2024) | N/A | N/A | N/A | N/A | 65-70 (FYE 130-135) | 3 (FYE 5) | 59 (FYE 116) | 125-130 (FYE 250-255) |
| **Other Members** | | | | | | | | |
| Mrs V Toal - Director of Human Resources and Organisational Development | 115-120 | 1 | 4 | 120-125 | 115-120 | 1 | 47 | 160-165 |
| Mr B Beattie - Director of Adult Community Services | 130-135 | 5 | 82 | 210-215 | 115-120 | - | 22 | 135-140 |
| Mrs J McGall - Director of Mental Health and Disability Services | 105-110 | 3 | 29 | 135-140 | 100-105 | 3 | 20 | 120-125 |
| Ms E Wilson - Director of Planning, Performance and Informatics | 110-115 | 1 | 27 | 140-145 | 100-105 | 2 | 24 | 125-130 |
| Mrs T Reid - Director of Medicine and Unscheduled Care | 110-115 | - | 78 | 190-195 | 100-105 | - | 21 | 120-125 |
| Mr D McClements - Acting Director of Surgery and Clinical Services (From 10 October 2025) | 55-60 (FYE 110-115) | - | 15 (FYE 30) | 70-75 (FYE 140-145) | N/A | N/A | N/A | N/A |
| Mrs D Burns - Director of Operations - Adult Community and Acute Services (From 9 February 2026) | 15-20 (FYE 130-135) | - | 2 (FYE 17) | 20-25 (FYE 145-150) | N/A | N/A | N/A | N/A |
| Mrs H Trouton - Associate Director | 65-70 | - | 21 | 85-90 | N/A | N/A | N/A | N/A |
| Mrs S Hanna - Interim Programme Director for Encompass | 90-95 | - | 56 | 145-150 | 35-40 (FYE 85-90) | - | 11 (FYE 27) | 45-50 (FYE 115-120) |
| Ms J McGuinness - Interim Director of Surgery and Clinical Services (From 22 July 2025 - 9 October 2025) | 25-30 (FYE 115-120) | - | - | 25-30 (FYE 115-120) | N/A | N/A | N/A | N/A |
| Mrs C Reid - Director of Surgery and Clinical Services (To 21 July 2025) / Project Director (From 22 July 2025 to 31 March 2026) | 110-115 | 1 | 77 | 190-195 | 100-105 | - | 24 | 125-130 |
| Mrs M O'Hagan - Programme Director for Transformation and Improvement (To 30 September 2025) Note 1 | 60-65 (FYE 125-130) | - | - | 60-65 (FYE125-130) | 115-120 | - | 113 | 230-235 |
| Mrs D Murphy - Director of Children and Young People's Services (From 20 January - 31 March 2025) | N/A | N/A | N/A | N/A | 15-20 (FYE 85-90) | 1 (FYE 4) | 6 (FYE 30) | 20-25 (FYE 115-120) |

## Notes on Remuneration Table

Note 1: Mrs D Ferguson and Mrs M O'Hagan retired during 2025-26.

FYE is used as an abbreviation for Full Year Equivalent.

The changes in Director appointments during the year are fully described in the Directors' Report on pages 53 to 60.

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.

## Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Trust and treated by HM Revenue and Customs as a taxable emolument. The benefits in kind listed above relate to the profit element of mileage expenses.

## Fair Pay Disclosures (Audited)

The Trust is required to disclose a range of fair pay disclosures, including the relationship between the remuneration of the highest paid Director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce, excluding the highest paid Director. The table below outlines this relationship:

| | **2025-26** | **2024-25** |
|---|---|---|
| Band of Highest Paid Director's Total Remuneration **(£000s)** | 240-245 | 230-235 |
| % Change from Previous Year | 4.30% | 6.90% |
| 25th Percentile Remuneration | £31,211 | £29,359 |
| 25th Percentile Pay Ratio | 7.77 | 7.92 |
| Median Remuneration | £40,823 | £38,127 |
| Median Pay Ratio | 5.94 | 6.10 |
| Mean Remuneration | £46,987 | £44,032 |
| % Change from Previous Year | 6.71% | 8.58% |
| 75th Percentile Remuneration | £52,681 | £49,281 |
| 75th Percentile Pay Ratio | 4.60 | 4.72 |
| Range of Staff Remuneration (normalised for standard hours) | £24,465 - £337,198 | £23,615 - £265,687 |

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. The median reflects the aggregation of earnings where staff have more than one post within the Southern HSC Trust. The calculations exclude agency staff.

The Southern HSC Trust average pay (mean remuneration) of £46,987 has increased by 6.71% when compared to that in 2024-25 (at a value of £44,032). This increase is largely due to application of Pay Award uplifts in respect of 2025-26.

The banded remuneration of the highest paid Director in 2025-26 was £240,000 - £245,000 (2024-25: £230,000 - £235,000). This is 5.94 (2024-25: 6.10) times the median remuneration of the workforce, which was £40,823 (2024-25: £38,127).

In 2025-26, 5 employees (2024-25: 7) received remuneration in excess of the highest paid director. All of these employees were clinicians.

## Pensions of Senior Management (Audited)

The pension entitlements of the most senior members of the Trust were as follows:

| | 2025-26 | | | | |
|---|---|---|---|---|---|
| Name | 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 31/03/25 £000s | CETV at 31/03/26 £000s | Real increase in CETV £000s |
| **Executive Members** | | | | | |
| Mr S Spoerry - Interim Chief Executive | 2.5-5 | 0-5 | 1 | 62 | 61 |
| Mr C McCafferty - Director of Children and Young People and Women's Services/ Executive Director of Social Work/ Deputy Chief Executive (From 1 January 2026) | 0-2.5 plus 0-2.5 lump sum | 40-45 plus 95-100 lump sum | 897 | 934 | 37 |
| Mrs C Marks - Executive Director of Finance, Procurement and Estates | 0-2.5 | 5-10 | 98 | 129 | 31 |
| Dr S Austin - Executive Medical Director | 5-7.5 plus 7.5-10 lump sum | 90-95 plus 235-240 lump sum | 2,046 | 2,203 | 157 |
| Mrs G Hamilton - Executive Director of Nursing, Midwifery, AHP's, Infection Prevention and Control and Functional Services (From 27 October 2025) | 5-7.5 plus 12.5-15 lump sum | 40-45 plus 115-120 lump sum | 887 | 1,043 | 156 |
| Mrs D Ferguson - Interim Executive Director of Nursing, Midwifery, AHP's and Functional Support Services (To 26 October 2025) Note 2 | N/A | 35-40 | 937 | 975 | 38 |
| **Other Members** | | | | | |
| Mrs V Toal - Director of Human Resources and Organisational Development | 0-2.5 plus 2.5-5 lump sum | 40-45 plus 95-100 lump sum | 851 | 870 | 19 |
| Mr B Beattie - Director of Adult Community Services | 2.5-5 plus 5-7.5 lump sum | 60-65 plus 160-165 lump sum | 1,414 | 1,478 | 64 |
| Mrs J McGall - Director of Mental Health and Disability Services | 0-2.5 plus 0-2.5 lump sum | 30-35 plus 70-75 lump sum | 562 | 598 | 36 |
| Ms E Wilson - Director of Planning, Performance and Informatics | 0-2.5 | 20-25 | 269 | 302 | 33 |
| Mrs T Reid - Director of Medicine and Unscheduled Care | 2.5-5 plus 5-7.5 lump sum | 55-60 plus 140-145 lump sum | 1,236 | 1,348 | 112 |
| Mr D McClements - Acting Director of Surgery and Clinical Services (From 10 October 2025) | 0-2.5 | 15-20 | 153 | 181 | 28 |
| Mrs D Burns - Director of Operations - Adult Community and Acute Services (From 9 February 2026) | 0-2.5 plus 0-2.5 lump sum | 25-30 plus 75-80 lump sum | 653 | 679 | 26 |
| Mrs H Trouton - Associate Director | 0-2.5 | 30-35 | 717 | 728 | 11 |
| Mrs S Hanna - Interim Programme Director for Encompass | 2.5-5 plus 2.5-5 lump sum | 45-50 plus 85-90 lump sum | 912 | 987 | 75 |
| Ms J McGuinness - Interim Director of Surgery and Clinical Services (From 22 July 2025 - 9 October 2025) Note 1 | N/A | N/A | N/A | N/A | N/A |
| Mrs C Reid - Director of Surgery and Clinical Services (To 21 July 2025) / Project Director (From 22 July 2025 to 31 March 2026) | 2.5-5 plus 5-7.5 lump sum | 50-55 plus 140-145 lump sum | 1,198 | 1,305 | 107 |
| Mrs M O'Hagan - Programme Director for Transformation and Improvement (To 30 September 2025) Note 2 | N/A | 50-55 | 1,424 | 1,182 | (242) |

## Notes on Pension Table

Note 1: Ms J McGuinness did not contribute to HSC pension scheme.

Note 2: Mrs M O'Hagan and Mrs D Ferguson retired during 2025-26.

The changes in Director appointments during the year are fully described in the Directors' Report on pages 53 to 60.

FYE is used as an abbreviation for Full Year Equivalent.

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

The current career average pension scheme does not have a provision for lump sum payment on retirement. Employees who are part of this scheme will not have an accrued lump sum entitlement.

## Public Service Pensions Remedy

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

## Cash Equivalent Transfer Values

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

pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended) and using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2026, including the HM Treasury updated guidance published on 27 April 2023.

## Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period (which therefore disregards the effect of any changes in factors).

## Staff Report

The Southern HSC Trust employs 13,027 whole time equivalent staff (2024-25: 12,987). This figure includes staff with more than one job position.

## Staff costs comprise (Audited)

| | 2026 | | | 2025 |
|---|---|---|---|---|
| Staff costs comprise: | **Permanently employed staff £000s** | **Others £000s** | **Total £000s** | **Total £000s** |
| Wages and salaries | 531,025 | 76,208 | 607,233 | 573,372 |
| Social security costs | 63,051 | 3,209 | 66,260 | 52,926 |
| Other pension costs | 107,467 | 3,329 | 110,796 | 105,658 |
| **Sub-Total** | **701,543** | **82,746** | **784,289** | **731,956** |
| Less Capitalised staff costs | (315) | - | (315) | (483) |
| **Total staff costs reported in Statement of Comprehensive Expenditure** | **701,228** | **82,746** | **783,974** | **731,473** |
| Less recoveries in respect of outward secondments | | | (880) | (814) |
| **Total net costs** | | | **783,094** | **730,659** |

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

| | **£000s** | **£000s** |
|---|---|---|
| Southern HSC Trust | 783,974 | 731,473 |
| Charitable Trust Funds | - | - |
| **Total** | **783,974** | **731,473** |

Staff Costs exclude £315k charged to capital projects during the year (2024-25: £483k).
Staff Costs include £1,243k associated with Research & Development Projects (2024-25: £1,114k).

## Pension Liabilities

The Southern HSC Trust participates in the HSC Superannuation Scheme. Under this multi-employer defined benefit scheme both the Southern HSC Trust and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the Department of Health. The Southern HSC Trust is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis. Pension benefits are administered by BSO HSC Pension Service. Two schemes are in operation, HSC Pension Scheme and the HSC Pension Scheme 2015. There are two sections to the HSC Pension Scheme (1995 and 2008), a final salary scheme, which was closed with effect from 1 April 2015 except for some members entitled to continue in this Scheme through 'Protection' arrangements. On 1 April 2015 a new HSC Pension Scheme was introduced. This new scheme covers all former members of the 1995/2008 Scheme not eligible to continue in that Scheme as well as new HSC employees on or after 1 April 2015. The 2015 Scheme is a Career Average Revalued Earnings (CARE) scheme.

## McCloud Judgement

Discrimination identified by the courts in the way that the 2015 pension reforms were introduced must be removed by the DoH. It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relate to the different HSC Pension Schemes i.e. 1995 Section, 2008 Section and 2015 Scheme and is not the monetary benefits received. This is known as the 'McCloud Remedy' and will impact many aspects of the HSC Pension Schemes including the scheme valuation outcomes. HSC Pension Service have made progress in implementing the first stage of the McCloud Remedy by rolling affected members back into their legacy scheme i.e. 1995/2008 up until 31 March 2022. All active members have now moved to the 2015 CARE Scheme from 1 April 2022.

As a result all Scheme members who have retired since December 2024 were issued with a Remediable Service Statement (RSS) prior to their retirement date to allow them to make their choice regarding their benefits for the remedy period (01/04/2015 – 31/03/2022).There will be no re-calculation or further choice needed for these members.

HSC Pension Service continues to work closely with their software suppliers in ensuring system capability of implementing the necessary legislative changes required to retrospectively offer the above changes to all those who retired prior to

December 2024. All affected members will be contacted in phases with the first phase completed by March 2026. Details of each cohort and their respective deadline can be found on the HSC Pension Service website.

## Member Contribution Rates

The table below sets out the member contribution rates that apply in the 2015 CARE Pension Scheme.

| Tier | Full –Time Pensionable Pay used to determine contribution rate | Contribution rate (before tax relief) (gross) |
|---|---|---|
| 1 | Up to £13,259 | 5.2% |
| 2 | £13,260 to £27,288 | 6.7% |
| 6 | £27,289 to £33,247 | 8.5% |
| 7 | £33,248 to £49,915 | 10.0% |
| 9 | £49,914 to £63,994 | 10.9% |
| 11 | £63,995 and above | 12.7% |

For 2025-26, employers' contributions of £107.4m were payable to the HSC Pension Scheme (2024-25: £103.2m) at 23.2% of pensionable pay (pension rate effective from 1 April 2024).

A NEST (National Employment Saving Trust) Scheme is also in operation for employees who are not eligible to the HSC Pension Scheme and the HSC Pension Scheme 2015, with a member contribution rate of 5% in 2025-26. For 2025-26, employers' contributions of £26k (2024-25: £36k) were payable to NEST at 3% of pensionable pay.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required with sufficient regularity that the amounts recognised in the financial statements do not differ materially from those determined at the reporting period date. This has been interpreted in the FReM to mean that the period between formal actuarial valuations shall be four years.

The actuary reviews the most recent actuarial valuation at the statement of financial position date and updates it to reflect current conditions. The scheme valuation data provided for the 2020 actuarial valuation will be used in the 2025-26 accounts. The 2020 valuation assumptions will be retained for most demographic assumptions apart from the assumption for future longevity improvements, which are assumed to be in line with the 2022-based population projections for the United Kingdom published by the Office for National Statistics (ONS) on 28 January 2025. Financial assumptions are updated to reflect recent financial conditions. The 2024 valuation is underway but not sufficiently progressed to be used in 2025-26 accounts.

During 2025-26, there were 20 (2024-25:22) early retirements from the Southern HSC Trust, agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £77k (2024-25: £38k). 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 2025-26, the Southern HSC Trust has accrued £nil in relation to pension liabilities (2024-25: £310k).

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

| Exit Package Cost Band | Number of other Departures Agreed | | Total Number of Exit Packages by Cost Band | |
|---|---|---|---|---|
| | 2025-26 | 2024-25 | 2025-26 | 2024-25 |
| £150,001 - £200,000 | - | 1 | - | 1 |
| **Total number of exit packages** | **-** | 1 | **-** | 1 |
| | **£000s** | **£000s** | **£000s** | **£000s** |
| **Total Resource Cost** | **0** | **155 - 160** | **0** | **155 - 160** |

Redundancy and other departure costs are paid in accordance with the provisions of the HSC Pension Scheme Regulations and the Compensation for Premature Retirement Regulations, statutory provisions made under the Superannuation Act 1972. Exit costs are accounted for in full in the year in which the exit package is approved and agreed and are included as operating expenses. There were no early retirement or compensation exit packages agreed in 2025-26, (2024-25: £155 - £160k).

Where early retirements have been agreed, the additional costs are met by the employing authority and not by the HSC pension scheme. Ill-health retirement costs are met by the pension scheme.

## Staff Benefits

The Southern HSC Trust provides staff with a number of taxable benefits availed of via salary sacrifice schemes such as, Cycle to Work Scheme and Private Car Lease Scheme. These schemes are open to all staff meeting the HMRC eligibility criteria.

## Average Number of Persons Employed (Audited)

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

| | 2026 | | | 2025 |
|---|---|---|---|---|
| | Permanently employed staff | Others | Total | Total |
| | No. | No. | No. | No. |
| Medical and dental | 640 | 434 | 1,074 | 1,083 |
| Nursing and midwifery | 4,345 | 250 | 4,595 | 4,518 |
| Professions allied to medicine | 1,685 | 12 | 1,697 | 1,614 |
| Ancillaries | 713 | 198 | 911 | 888 |
| Administrative & clerical | 1,823 | 34 | 1,857 | 2,016 |
| Estates & Maintenance | 152 | - | 152 | 142 |
| Social services | 1,807 | 11 | 1,818 | 1,739 |
| Domiciliary/Homecare Workers | 939 | - | 939 | 1,001 |
| **Total average number of persons employed** | **12,104** | **939** | **13,043** | **13,001** |
| Less average staff number relating to capitalised staff costs | (3) | - | (3) | (4) |
| Less average staff number in respect of outward secondments | (13) | - | (13) | (10) |
| **Total net average number of persons employed** | **12,088** | **939** | **13,027** | **12,987** |
| Of which: | | | | |
| Southern HSC Trust | | | 13,027 | |
| Charitable Trust Fund | | | - | |
| | | | **13,027** | |

*"Medical & Dental: Others" includes approx. 277 WTE Doctors in Training recharged by NIMDTA (2024-25: 259 WTE). The Southern HSC Trust retains funding for these employees.*

*Whilst there is an overall increase in the average number of staff employed, there has been an in year reduction in average staff engaged through agencies which is reflected in "Others".*

## Staff Composition by Gender

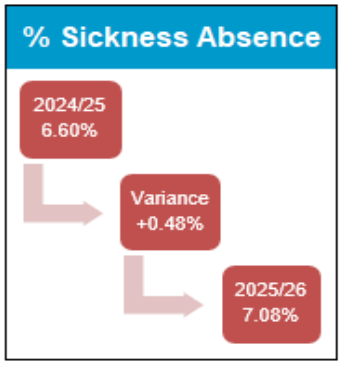
The following table provides an analysis of the number of employed staff as at 31 March 2026 by gender:

| | CEO & Directors | | Non-Executive Directors | | Senior Staff | | Other Staff | | Trust Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Headcount | % | Headcount | % | Headcount | % | Headcount | % | Headcount | % |
| **Female** | 9 | 64 | 4 | 50 | 37 | 81 | 12,916 | 85 | **12,966** | 85 |
| **Male** | 5 | 36 | 4 | 50 | 9 | 19 | 2,249 | 15 | **2,267** | 15 |
| **Total** | **14** | | **8** | | **46** | | **15,165** | | **15,233** | |

- *Staff on Employment Break & those Seconded out of Trust have been excluded.*
- *Headcount is a count of staff based on NI No. therefore staff with multiple posts are counted once in their post with the highest WTE.*
- *Senior staff is defined as Assistant Director and above but excluding Senior Management.*

## Workforce Capacity

### Staff Absence




Sickness absence levels remain above pre-pandemic levels, resulting in continuing workforce pressures. During 2025-26, a new Regional HSC Sickness Absence Policy & Procedure was consulted and agreed with trade union colleagues. Training for managers and staff has been rolled out across the Southern HSC Trust in preparation for this to come into effect from 1 April 2026.

The Southern HSC Trust continues to promote early intervention, timely Occupational Health support and investment in health and wellbeing initiatives to support staff, reduce avoidable absence and assist staff to remain at work.

### Staff Turnover

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

| Contract Type | % Turnover | | |
|---|---|---|---|
| | 2025-26 | 2024-25 | 2023-24 |
| **Permanent** | 7.09% | 7.63% | 8.77% |

**The figures above are based on Leavers from the Trust and do not include Internal Transfers.*

### Off Payroll Engagements

The Trust did not engage Off Payroll Staff Resources in 2025-26 (2024-25: £nil).

### Consultancy

Consultancy includes staff who provide objective advice relating to strategy, structure, management or operations of an organisation and may include the identification of options with recommendations.

The Southern HSC Trust incurred external consultancy expenditure of £nil in 2025-26 (£nil: 2024-25).

## Trust Management Costs (Audited)

| | 2026 £000s | 2025 £000s |
|---|---|---|
| Trust management costs | 39,759 | 36,438 |
| **Income:** | | |
| RRL | 1,150,375 | 1,074,004 |
| Income | 62,016 | 56,371 |
| **Total Income** | 1,212,391 | 1,130,375 |
| **% of total income** | **3.28%** | **3.22%** |

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.

| | 2026 £000 | 2025 £000 | Restated 2024 £000 |
|---|---|---|---|
| Trust Management Costs | 39,759 | 36,438 | 34,089 |
| Total Income | 1,212,391 | 1,130,375 | 1,073,170 |
| **% of Total Income** | **3.28%** | **3.22%** | **3.18%** |

## Employee Engagement

During 2025 a key priority for the Southern HSC Trust was the implementation, stabilisation and optimisation of Encompass. In September 2024 the Southern HSC Trust issued an Employee Experience Pulse Survey as we were keen to hear from our people across the Southern HSC Trust about whether work associated with our people priorities had made any difference to their working lives. A summary of our organisational results was shared with the senior leadership team and during 2025 Directorate teams were asked to reflect on and prioritise actions that needed to be taken at a local level, taking into consideration the focus on the implementation of Encompass. For example, focus was given to training, wellbeing support and appreciation of our people before, during and after the implementation of Encompass.

In September 2025 a survey was sent out to all staff to obtain feedback, observations and suggestions from staff on the post go-live roll out of Encompass within the Southern HSC Trust. It focused on key aspects including training, communication and role clarity. The survey analysis report was reviewed and action plan developed to address staff concerns.

## Staff Policies & Other Employee Matters

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

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

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

## Our People

As an employer we recognise that our people are key to achieving our vision and delivering on our five strategic priorities. We recognise we can only deliver safe, high quality, compassionate care and support and sustainable services by ensuring we attract, retain, develop and engage a skilled, diverse and motivated workforce. We continue to work on transforming our culture through a relentless focus on our three people priorities of Wellbeing, Belonging and Growing as outlined in our **People Framework 2022-2025.** This will continue into our new People Framework for 2026-2030 which will be introduced next financial year.

A new standalone People and Culture Committee was established in 2025 with a strategic role in shaping organisational culture, supporting staff, and providing assurance to the Trust Board. The Committee's remit includes organisational culture, leadership, equality, diversity, and staff well-being, with the aim of ensuring staff are valued and supported and therefore supporting the development of high quality, safe and sustainable services via a skilled, diverse and motivated workforce in line with the HSC Values, Trust strategic priorities and People Framework.

## Wellbeing

One of our priorities is to look after the wellbeing of our people. During 2025-26, we continued to strengthen our commitment to supporting the health, wellbeing and resilience of our workforce.

We developed and launched our refreshed **Workplace Health & Wellbeing Framework 2025–2030**. We have learned a lot about the wellbeing of our people over the last number of years and so continue to build upon the existing work and strengthen our efforts to improve health and wellbeing in the workplace.

The revised Framework reaffirms our vision for a healthy, supportive workplace and outlines the areas of focus that will guide our annual Health & Wellbeing action plans.

The Framework operates in parallel with the regional **Strengthening Our Core** HSC Framework and is a core building block of **Our People Framework**, aligning closely with the Trust's **Vision & Strategy 2030**. It centres on three priority pillars:


- **Healthy Workplaces – Supporting You**
- **Healthy Relationships – Staying Connected**
- **Healthy Body & Mind – Being You**

There were **28 actions** in our Year 1 2025-26 action plan. Some year 1 highlights included:

- The **Workplace Wellbeing Team**, temporarily funded in part through NHS charitable funds, recorded over **9,902** employee wellbeing contacts, almost doubling the KPI target of **4,992** and demonstrating exceptional engagement.

- The **Wellbeing Champion network** was strengthened and expanded during the year, growing from **68** to **109** champions. Champions serve as trusted local representatives, promoting employee wellbeing, signposting support, and ensuring that employee experiences are reflected in Trust-wide decision-making.

- Approval was secured from the Senior Leadership Team for the introduction of a rotating **Senior Wellbeing Champion** role from April 2026. This rotating role will support the continued development of a positive organisational culture by modelling leadership commitment to wellbeing and reinforcing its importance as a strategic priority.

- The **Estates Sustainability Team** progressed a range of wellbeing-focused enhancements across multiple sites during the year. These improvements included upgrading courtyard areas, planting new trees, and maintaining green spaces to create more accessible, attractive environments that support employee wellbeing.

*Lurgan Hospital – Courtyard garden*

- Our **Menopause Policy** was updated during the year, and The Menopause Workplace Pledge was signed in March 2026. By signing the pledge, we committed to: recognising that the menopause can be an issue in the workplace and some women need support; talking openly, positively and respectfully about the menopause; actively support and informing our employees affected by the menopause; and changing the culture of the organisation by taking at least one action a year.

- Our **Domestic and Sexual Violence and Abuse Policy**, along with updated guidance, support and resources for employees and managers, was reviewed and refreshed during the year. This includes the introduction of a short period of paid special leave, 'safe leave' for the purpose of dealing with issues related to domestic and sexual violence and abuse.

- **Schwartz Rounds** are an opportunity for both clinical and nonclinical staff across an organisation to come together and discuss the emotional and human impact of working in healthcare. In 2025-26, six Schwartz Rounds were held at various locations across the Trust, attended by over 200 staff. These were expanded this year to additional high-demand areas, including the Emergency Department, end-of-life care services, and teams supporting international employees. This wider reach is helping to create more opportunities for reflective practice and employee wellbeing across the organisation.

- Progress continued implementing the **Nutritional Standards for HSC**. During the year, **223** recipes were analysed, healthier food options were expanded across sites, and calorie information was displayed Trust-wide. In addition, **74**

catering employees received training in Nutritional Standards, and **274** employees and visitors contributed to the dining experience survey, helping to shape future improvements.

- **Physical activity programmes** were expanded during the year, with increased participation across a range of initiatives including Pilates, yoga, Couch to 5K, and the Trust-wide Step Challenge. These activities continue to support employee wellbeing by promoting regular movement and healthier lifestyle choices.


Despite a period of significant organisational change, Year 1 of our Workplace Health and Wellbeing Framework delivered strong progress across all wellbeing pillars. With high levels of engagement, over **9,500 programme contacts**, and meaningful developments across multiple action areas, we have established a solid foundation for building a healthy, connected, and resilient workplace.

## Belonging

The Southern HSC Trust continues to work on developing a culture whereby our people feel connected, cared for, respected and valued for the work that they do, and recognised for the contribution they make.

### Recognition & Appreciation

During 2025-26, the focus for recognition and appreciation centred on how recognition and appreciation could be shown at a local level within directorate teams and embedded into team culture, particularly during the implementation of Encompass.

## Greatix

Our GREATix toolkit (our Trust's peer-to-peer recognition system), enables employees to show their gratitude to colleagues who demonstrate the Southern HSC Trust's values. A total of 1,545 GREATix nominations were submitted during 2025-26, an increase on prior year.

Corporately, appreciation was shown to staff in different ways for completing Encompass training and in recognition of their hard work and efforts in supporting the implementation of Encompass.

## Recognition Days & Staff Awards

Recognition days continued across the Southern HSC Trust acknowledging the dedication of our employees across various staff groups.

Highlights included the second Home Care Awards in September 2025, celebrating the impact of our home care workforce in supporting 2,236 service users, with winners and runners-up across eight categories.


A further highlight included two winners of the Edel Corr Award for Outstanding Compassionate Care (the Multidisciplinary Team in Ward 3, Lurgan Hospital and Midwife, Sarah McFarland) and the Edel Corr Special Merit Award to Patrick McElhatton, porter at South Tyrone Hospital, marking an exceptional 50 years of service. Pat was praised for his calm, organised approach and for being a role model for new colleagues.

## Equality, Diversity & Inclusion (EDI)


It is our aim to help create and support a culture that is inclusive at all levels and help create a sense of belonging, in line with the Southern HSC Trust's Vision, Values and Priorities. We strive to ensure the Southern HSC Trust is a 'great place to work' that promotes positive attitudes to diversity, both in relation to employees

and service users. We wish to ensure that equality, diversity and inclusion are embedded across our organisation and that our employment practices are fair, flexible and enabling so that each employee can reach their full potential.

## Diversity & Inclusion Calendar

We continue to raise awareness of equality and inclusion by promoting a range of diversity days throughout the year. During 2025-26 some of these included:

- Good Relations Week
- Sign Language Awareness Week – we took this opportunity to raise awareness of the Regional Communication Support Service and how it can support the delivery of services to ensure they are accessible to d/Deaf, d/Deafblind and hard of hearing individuals and their carers.

- International Day of Persons with Disabilities – Our ValuABLE staff network came together at Daisy Hill Hospital to mark International Day of Persons with Disabilities. Members shared their experiences, offered support to colleagues, and discussed plans for future initiatives.
- International Women's Day – a number of events were held across the Southern HSC Trust highlighting this year's theme 'Give to Gain'.

## Employee Networks

- REaCH Staff Network is a place of support for all employees from different race and ethnic minority backgrounds and allies. The network continues to grow with regular events and information to support colleagues who may be new to the Southern HSC Trust.
- The regional HSC LGBTQ+ Staff Forum exists to support LGBTQ+ employees within the HSC and create a more LGBTQ+ inclusive work environment. During

this time, the EDI team hosted 2 engagement sessions in CAH and Daisy Hill Hospital, where Rainbow lanyards and the Rainbow Pin were available for staff.

- ValuABLE Staff Network for staff and students with disabilities and long-term health conditions. This network is an opportunity for staff and those within the Southern HSC Trust to come together on a regular basis to support each other, discuss challenges and possible solutions to issues which are common across the Southern HSC Trust.

### Multicultural Family Day

In October 2025, our EDI Team hosted a Multicultural Day, bringing together staff from across the organisation to celebrate diversity, culture and community. The event featured vibrant music and dance performances, traditional food from around the world, henna art and creative crafts. The celebration, ran in conjunction with the ABC Community Network in Portadown Town Hall, saw over 150 people attend.

## Growing

We continue to support and develop our people so they can be the best they can be and fulfil their potential.

We want to ensure we have a workforce, with the right skills, in the right place, at the right time to ensure the consistent delivery of safe, high-quality services. In order to assist in meeting this we have a number of learning and development opportunities available to our employees.

### Supporting our people - training and development opportunities

The Southern HSC Trust is committed to investing in our people by recognising and supporting leaders at every level, while also creating opportunities to strengthen our collective leadership capability. We continue to offer a range of learning and development opportunities for all staff, including training in absence management,

appraisal skills for managers, interview skills and mental health awareness for managers.

Employees can also access management and development opportunities through programmes delivered by the HSC Leadership Centre at which over 300 staff attended in this year. These programmes include a range of regional leadership development opportunities aimed at senior leaders, as well as Post Graduate Diploma in HSC Management and MSc Business Improvement.

## Vocational Workforce Development

As a Trust, we are committed to ensuring our workforce has the opportunity to develop and maintain necessary skills and knowledge to deliver high quality services. This year, in addition to our established RQF training programmes, we have successful developed and implemented the RQF Level 2 Safe and Effective Practice Certificate, supporting staff new to the NISCC register to build knowledge, core competence and confidence in practice.

Our quality assurance processes remain robust with continued positive external quality assurance feedback reflecting the high standard of delivery across the organisation. The Vocational Assessment team were recognised by the external verifier as "*demonstrating strong and commendable commitment to continuous quality improvement."*

Over this past year we have supported 204 staff to achieve an accredited RQF qualification.

## Corporate Mandatory Training

Whilst Encompass training was a priority for our workforce prior to Go-Live in May 2025, this did not detract from the importance of completing Corporate Mandatory Training to ensure the safety of our employees and our service users and delivering on our commitment to be a learning organisation. With a continued focus on compliance, we managed to improve our compliance rates of our core mandatory subjects. In line with regional requirements, we also added a new mandatory training subject which highlights the protocols and processes for our effective complaints handling across HSCNI.

## Appraisal Conversations

Regular corporate communications and reminders continued to be issued to both managers and employees throughout the year, emphasising the importance of high-quality appraisal conversations, the requirement to complete them on an annual basis, and the need to record them on LearnHSCNI. To further enhance support for managers and employees, existing guidance was reviewed and updated, and new

step-by-step video tutorials were developed. As at 31 March 2026, 62% of our Agenda for Change workforce have an appraisal.

## Digital Transformation

- **Encompass**


This is the Health and Social Care programme that created a single digital care record for every citizen in Northern Ireland who received health and social care. Our Trust went live with Encompass in May 2025. During 2025 there was significant work undertaken to support the Encompass programme, including ensuring all staff were trained for go live on 8 May 2025. As well as continuing with the extensive programme of training up to go-live, we held 38 days of 'pre go-live' Help Hub sessions across 5 different Trust locations with 1,898 attendees. We also held 9 days of 'go-live' Help Hub sessions across 6 different locations with 493 attendees. Also, significant post go-live stabilisation activities such as system movers and leavers processes, moving into business as usual continued for the remainder of this year.

- **Equip**

This is a replacement for the existing HRPTS and FPL systems, which our people use on a daily basis for accessing their pay information, updating personal details and to procure goods and services, which support our HSC organisations to deliver the best outcomes for patients and service users. The equip Programme will deliver a new single, integrated solution which replaces the existing systems with an enhanced user experience and additional business capabilities for HSC. From April 25 HROD and Finance teams have been supporting the design and build phase of the equip programme, with local preparation and readiness activities underway with go-live expected during 2026-27.

## Accountability and Audit Report

### Compliance with regularity of expenditure guidance

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

This overall framework is described in the Governance statement on page 67 and is designed to ensure that the Trust has assurance that the income and expenditure recorded in its financial statements have been applied to the purposes as intended by the NI Assembly and the financial transactions recorded in the financial statements of the Trust conform to the authorities who govern them. As noted on page 104 of the Governance statement, the Trust has incurred £130k of irregular capital expenditure in 2025-26.

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

The Trust maintains a Gifts and Hospitality Register and there were no gifts made over the limits prescribed in Managing Public Money NI.

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

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

Losses and special payments are reported to the Audit and Risk Assurance Committee for review and to Trust Board for approval annually. They are audited as part of the audit of the Annual Accounts.

## Losses and Special Payments (Audited)

| Losses statement | 2025-26 | 2024-25 |
|---|---|---|
| Total number of losses | 1,981 | 114,555 |
| Total value of losses (£'000) | 503 | 664 |

| Special payments | 2025-26 | 2024-25 |
|---|---|---|
| Total number of special payments | 208 | 190 |
| Total value of special payments (£'000) | 11,878 | 8,703 |

| Individual special payments over £300,000 | 2025-26 | 2024-25 |
|---|---|---|
| | £'000 | £'000 |
| Compensation payments | | |
| - Clinical Negligence | 2,448 | 2,853 |
| - Public Liability | - | - |
| - Employers Liability | 429 | - |
| - Employment Law | - | - |
| - Other | - | - |
| Ex-gratia payments | - | - |
| Extra contractual | - | - |
| Special severance payments | - | - |

Total number of losses reporting has been changed this year from reporting quantities of pharmacy stock to numbers of product lines which explains the large drop in number of losses. This is in line with reporting from the new stock system within EPIC which was implemented in 2025-26. The equivalent information is not available for prior year within the old system.

Included in the number of individual special payments over £300k were 5 Clinical Negligence cases (2024-25: 3 Clinical Negligence payments).

## Special Payments (Audited)

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

## Other Payments, Gifts and Estimates (Audited)

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

## Fees and Charges (Audited)

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

The Health & Personal Social Services (NI) Order 1972 requires that a person is charged for residential accommodation in a registered residential or nursing care

home which has been arranged by the Trust, either in a Trust managed home or with an independent sector care home.
Article 99 requires the Department to set the standard rate for Trust managed homes at an amount equivalent to the full cost to the Trust of providing the accommodation. However, responsibility for the determination of the standard rate is now delegated to the SPPG by the Department.

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

In 2025-26, the regional tariffs were as follows:

| **Residential Care Homes** | **2025-26 £ per week** | **2024-25 £ per week** |
|---|---|---|
| People with a Physical Disability | 909 | 843 |
| Elderly | 811 | 752 |
| People with a Mental Illness (or with drug/alcohol dependence) | 811 | 752 |
| People with Learning Disability | 811 | 752 |
| **Nursing Care Homes** | **2025-26 £ per week** | **2024-25 £ per week** |
| People with a Physical Disability | 1,063 | 993 |
| Elderly | 990 | 925 |
| People with a Mental Illness (or with drug/alcohol dependence) | 990 | 925 |
| People with Learning Disability | 990 | 925 |

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

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

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

Total fees and charges were as follows:

| | 2025-26 £000s | 2025-26 £000s | 2024-25 £000s | 2024-25 £000s |
|---|---|---|---|---|
| Full Cost: | | 139,026 | | 127,021 |
| Less: | | | | |
| Client Contribution Income Note 4 | (44,226) | | (41,866) | |
| Excluding Client Contributions Supported Living | 1,793 | (42,433) | 1,936 | (39,930) |
| **Net cost to the Trust:** | | **96,593** | | **87,091** |

## Long Term Expenditure

Details of long term expenditure plans are included on pages 37-38 of the Performance Report.

## Remote Contingent Liabilities (Audited)

In addition to Contingent Liabilities reported within the meaning of IAS37, (included in the Annual Accounts Note 18), the Trust also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of Contingent Liability. There are no remote contingent liabilities of which the Trust is aware.

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

- Governance Report
- Remuneration and Staff Report
- Accountability and Audit Report

**Signed**

**Mr S Spoerry**
**Accounting Officer** **Date: 25 June 2026**

## 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 2026 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. The financial statements comprise: the Group and Parent Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the group's and of Southern Health and Social Care Trust's affairs as at 31 March 2026 and of the group's and the Southern Health and Social Care Trust's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health directions issued thereunder.

**Opinion on regularity**

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

**Basis for opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of Southern Health and Social Care Trust in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

**Conclusions relating to going concern**

In auditing the financial statements, I have concluded that Southern Health and Social Care Trust's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Southern Health and Social Care Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for Southern Health and Social Care Trust is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Trust and the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

**Other Information**

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

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

**Opinion on other matters**

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Department of Health directions issued under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Health directions made under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended; and

- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which I report by exception**

In the light of the knowledge and understanding of the Southern Health and Social Care Trust and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made or parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

**Responsibilities of the Trust and Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer Responsibilities, the Trust and the Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud of error;
- ensuring the annual report, which includes the Remunerations and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing the Southern Health and Social Care Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Southern Health and Social Care Trust will not continue to be provided in the future.

**Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an

audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Southern Health and Social Care Trust through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Health and Personal Social Services (Northern Ireland) Order 1972, as amended;
- making enquires of management and those charged with governance on Southern Health and Social Care Trust's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Southern Health and Social Care Trust's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: in relation to management override of controls and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and
- addressing the risk of fraud as a result of management override of controls by:
    - performing analytical procedures to identify unusual or unexpected relationships or movements;
    - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;

- assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
- investigating significant or unusual transactions made outside of the normal course of business; and

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/report.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

**Report**

I have no observations to make on these financial statements.

*Dorinnia Carville*
*Comptroller and Auditor General*
*Northern Ireland Audit Office*
*106 University Street*
*BELFAST*
*BT7 1EU*
*29 June 2026*

# 4

# Financial Statements

## CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2026

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 | 2026 Trust £000s | 2026 CTF £000s | 2026 Consolidated £000s | 2025 Trust £000s | 2025 CTF £000s | 2025 Consolidated £000s |
|---|---|---|---|---|---|---|---|
| **Income** | | | | | | | |
| Revenue from contracts with customers | 4.1 | 55,831 | - | 55,831 | 50,974 | - | 50,974 |
| Other operating income | 4.2 | 6,185 | 359 | 6,544 | 5,397 | 305 | 5,702 |
| **Total Operating Income** | | 62,016 | 359 | 62,375 | 56,371 | 305 | 56,676 |
| **Expenditure** | | | | | | | |
| Staff Costs | 3 | (783,974) | - | (783,974) | (731,473) | - | (731,473) |
| Purchase of goods and services | 3 | (310,878) | - | (310,878) | (284,627) | - | (284,627) |
| Depreciation, amortisation and impairment charges | 3 | (23,847) | - | (23,847) | (17,178) | - | (17,178) |
| Provision expense | 3 | (34,186) | - | (34,186) | (72,914) | - | (72,914) |
| Other expenditures | 3 | (118,605) | (721) | (119,326) | (114,849) | (663) | (115,512) |
| **Total Operating Expenditure** | | **(1,271,490)** | **(721)** | **(1,272,211)** | **(1,221,041)** | **(663)** | **(1,221,704)** |
| **Net Operating Expenditure** | | **(1,209,474)** | **(362)** | **(1,209,836)** | **(1,164,670)** | **(358)** | **(1,165,028)** |
| Finance income | 4.2 | - | 204 | 204 | - | 207 | 207 |
| Finance expense | 3 | (108) | - | (108) | (69) | - | (69) |
| **Net Expenditure for the year** | | **(1,209,582)** | **(158)** | **(1,209,740)** | **(1,164,739)** | **(151)** | **(1,164,890)** |
| Adjustment to net expenditure for non-cash items | 21.1 | 59,384 | - | 59,384 | 90,841 | - | 90,841 |
| **Net expenditure funded from RRL** | | **(1,150,198)** | **(158)** | **(1,150,356)** | **(1,073,898)** | **(151)** | **(1,074,049)** |
| Revenue Resource Limit (RRL) | 21.1 | 1,150,375 | - | 1,150,375 | 1,074,004 | - | 1,074,004 |
| Add back charitable trust fund net expenditure | | - | 158 | 158 | - | 151 | 151 |
| **Surplus against RRL** | | **177** | **-** | **177** | **106** | **-** | **106** |
| **OTHER COMPREHENSIVE EXPENDITURE** | | | | | | | |
| **Items that will not be reclassified to net operating costs:** | | | | | | | |
| Net gain on revaluation of property, plant and equipment | 5.1/ 5.2/ 7 | 8,126 | - | 8,126 | 12,921 | - | 12,921 |
| Net gain on revaluation of intangibles | 6.1/6.2/9 | - | - | - | 1 | - | 1 |
| Net (loss) / gain on revaluation of charitable assets | 8 | - | 560 | 560 | - | (133) | (133) |
| **TOTAL COMPREHENSIVE EXPENDITURE** | | **(1,201,456)** | **402** | **(1,201,054)** | **(1,151,817)** | **(284)** | **(1,152,101)** |

The notes on pages 146 to 199 form part of these accounts.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 March 2026

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

| | | 2026 | | 2025 | |
|---|---|---|---|---|---|
| | NOTE | Trust £000s | Consolidated £000s | Trust £000s Restated | Consolidated £000s Restated |
| **Non-Current Assets** | | | | | |
| Property, plant and equipment | 5.1/5.2 | 424,265 | 424,265 | 410,268 | 410,268 |
| Right-of-use assets | 5 | 1,942 | 1,942 | 2,615 | 2,615 |
| Intangible assets | 6.1/6.2 | 5,012 | 5,012 | 7,604 | 7,604 |
| Financial assets | 8 | - | 4,361 | - | 3,801 |
| Trade and other receivables | 12 | 1,363 | 1,363 | 1,211 | 1,211 |
| Other non-current assets | 12 | | | | |
| **Total Non-Current Assets** | | **432,582** | **436,943** | **421,698** | **425,499** |
| **Current Assets** | | | | | |
| Inventories | 10 | 6,267 | 6,267 | 5,816 | 5,816 |
| Trade and other receivables | 12 | 32,770 | 32,561 | 25,244 | 24,903 |
| Other current assets | 12 | 8,059 | 8,059 | 9,186 | 9,186 |
| Current financial assets | 8 | - | - | - | 1,500 |
| Cash and cash equivalents | 11 | 1,950 | 4,399 | 6,689 | 7,929 |
| **Total Current Assets** | | 49,046 | 51,286 | 46,935 | 49,334 |
| **Total Assets** | | **481,628** | **488,229** | **468,633** | **474,833** |
| **Current Liabilities** | | | | | |
| Trade and other payables | 13 | (145,920) | (145,956) | (154,641) | (154,678) |
| Other liabilities | 13 | (1,158) | (1,158) | (1,073) | (1,073) |
| Provisions | 14 | (78,784) | (78,784) | (53,204) | (53,204) |
| **Total Current Liabilities** | | (225,862) | (225,898) | (208,918) | (208,955) |
| **Total Assets Less Current Liabilities** | | **255,766** | **262,331** | **259,715** | **265,878** |
| **Non-Current Liabilities** | | | | | |
| Provisions | 14 | (208,540) | (208,540) | (212,035) | (212,035) |
| Other payables | 13 | (823) | (823) | (1,542) | (1,542) |
| **Total Non-Current Liabilities** | | (209,363) | (209,363) | (213,577) | (213,577) |
| **Total Assets less Total Liabilities** | | **46,403** | **52,968** | **46,138** | **52,301** |
| **Taxpayers' Equity and Other Reserves** | | | | | |
| Revaluation reserve | | 122,447 | 122,447 | 116,583 | 116,583 |
| SoCNE reserve | | (76,044) | (76,044) | (70,445) | (70,445) |
| Other reserves – charitable trust fund | | - | 6,565 | - | 6,163 |
| **Total Equity** | | **46,403** | **52,968** | **46,138** | **52,301** |

The notes on pages 146 to 199 form part of these accounts.
The financial statements on pages 142 to 199 were approved by the board on 25 June 2026 and were signed on its behalf by:

Signed:  (Chair) Date: 25 June 2026

Signed:  (Chief Executive) Date: 25 June 2026

## CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY for the year ended 31 MARCH 2026

This statement shows the movement in the year on the different reserves held by the Southern HSC Trust, analysed into the SoCNE Reserve (i.e. those reserves that reflect a contribution from the DoH). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The SoCNE Reserve represents the total assets less liabilities of the Southern HSC Trust, to the extent that the total is not represented by other reserves and financing items.

| | NOTE | SoCNE Reserve | Revaluation Reserve | Charitable Fund | Total |
|---|---|---|---|---|---|
| | | £000s | £000s | £000s | £000s |
| **Balance at 1 April 2024** | | **(47,816)** | **126,256** | **6,447** | **84,887** |
| **Changes in Taxpayers Equity 2024-25** | | | | | |
| Grant from DoH | | 1,141,521 | - | - | 1,141,521 |
| Transfers between reserves | | 469 | (469) | - | - |
| (Comprehensive net expenditure for the year) | | (1,164,739) | 12,922 | (284) | (1,152,101) |
| Reversal of prior year Impairments | | - | (22,126) | - | (22,126) |
| Non-cash charges - auditors remuneration | 3 | 120 | - | - | 120 |
| **Balance at 31 March 2025** | | **(70,445)** | **116,583** | **6,163** | **52,301** |
| **Changes in Taxpayers Equity 2025-26** | | | | | |
| Grant from DoH | | 1,201,596 | - | - | 1,201,596 |
| Transfers between reserves | | 2,262 | (2,262) | - | - |
| (Comprehensive net expenditure for the year) | | (1,209,582) | 8,126 | 402 | (1,201,054) |
| Reversal of prior year Impairments | | | | | |
| Non-cash charges - auditors remuneration | 3 | 125 | - | - | 125 |
| **Balance at 31 March 2026** | | **(76,044)** | **122,447** | **6,565** | **52,968** |

The notes on pages 146 to 199 form part of these accounts.

## CONSOLIDATED STATEMENT OF CASHFLOW for the year ended 31 MARCH 2026

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 | 2026 £000s | 2025 £000s |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net expenditure after interest | | (1,209,740) | (1,164,890) |
| Adjustments for non-cash costs | | 58,313 | 90,171 |
| (Increase) in trade and other receivables | 12 | (6,683) | (4,327) |
| (Increase) / decrease in inventories | 10 | (451) | 514 |
| (Decrease) in trade payables | 13 | (9,356) | (12,542) |
| Movements in receivables relating to the sale of property, plant and equipment | 12 | - | (1) |
| Movements in payables relating to the purchase of property, plant and equipment | 13 | (883) | (85) |
| Movements in payables relating to the purchase of intangibles | 13 | 155 | (32) |
| Movements in payables relating to finance leases | 13 | 634 | (2,075) |
| Use of provisions | 14 | (12,101) | (9,201) |
| **Net cash outflow from operating activities** | | (1,180,112) | (1,102,468) |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant & equipment | 5 | (24,788) | (30,860) |
| Purchase of intangible assets | 6 | (907) | (1,374) |
| Proceeds of disposal of property, plant & equipment | | 227 | 42 |
| Drawdown from investment fund | 8 | 1,500 | - |
| **Net cash outflow from investing activities** | | (23,968) | (32,192) |
| **Cash flows from financing activities** | | | |
| Grant in aid | | 1,201,596 | 1,141,521 |
| Cap element of payments – finance leases and on balance sheet (SoFP) PFI and other service concession arrangements | | (1,046) | (993) |
| **Net financing** | | 1,200,550 | 1,140,528 |
| **Net increase in cash & cash equivalents in the period** | 11 | (3,530) | 5,868 |
| **Cash & cash equivalents at the beginning of the period** | 11 | 7,929 | 2,061 |
| **Cash & cash equivalents at the end of the period** | 11 | **4,399** | **7,929** |

The notes on pages 146 to 199 form part of these accounts.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

## STATEMENT OF ACCOUNTING POLICIES

### 1. Authority

These financial statements have been prepared in a form determined by the Department of Health based on guidance from the Department of Finance's Financial Reporting Manual (FReM) and in accordance with the requirements of Article 90(2) (a) of the Health and Personal Social Services (Northern Ireland) Order 1972 No 1265 (NI 14) as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Southern HSC Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Southern HSC Trust are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

### 1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and liabilities. This includes donated assets.

### 1.2 Property, Plant and Equipment

Property, plant and equipment assets comprise Land, Buildings, Dwellings, Transport Equipment, Plant & Machinery, Information Technology, Furniture & Fittings, and Assets under Construction. This includes donated assets.

#### Recognition

Property, plant and equipment must be capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the Southern HSC Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; *and*
- the item has a cost of at least £5,000 *or*

- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £1,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

## Valuation

All Property, Plant and Equipment are carried at fair value.

Fair value of property is estimated as the latest professional valuation revised annually by reference to indices supplied by Land and Property Services.

Fair value for Plant and Equipment is estimated by restating the value annually by reference to indices complied by the Office of National Statistics (ONS), except for assets under construction which are carried at cost, less any impairment loss.

The Department of Health uses Producer Price Indices (PPI) published by the Office for National Statistics (ONS) to apply indexation to the value of non-property assets at year-end. In line with previous years, the December 2025 indices have been applied in 2025-26. In March 2025, ONS paused publication to review an issue with the chain-linking methodology affecting historical data from 2008 onwards. ONS recommenced publication of the indices in October 2025, including revised historical series. In accordance with IAS 8 the fair value of assets is an accounting estimate and retrospective restatements are not required for changes in accounting estimates. As such, no adjustments have been made to the prior-year comparative figures as a result of the changes to PPI, but the updated indices have been applied in determining the asset values for the current year-end.

RICS, IFRS, IVS & HM Treasury compliant asset revaluation of land and buildings for financial reporting purposes are undertaken by Land and Property Services (LPS) at least once in every five year period. Figures are then restated annually, between revaluations, using indices provided by LPS.

The last valuation was carried out on 31 January 2025 by Land and Property Services (LPS).

Fair values are determined as follows:

- Land and non-specialised buildings – open market value for existing use;
- Specialised buildings – depreciated replacement cost; *and*
- Properties surplus to requirements – the lower of open market value less any material directly attributable selling costs, or book value at date of moving to non-current assets.

## Material Uncertainty

LPS have provided the following in relation to the ongoing global fiscal, economic and political factors.

"Whilst the financial burden of the measures taken to combat the COVID-19 pandemic will continue to be felt by global economies for decades to come, the short-term impact of enforced lockdowns on real estate markets has now dissipated.

However, there are a number of local, national and global considerations that could negatively impact on NI property values, including ongoing Brexit negotiations, the fallout from the Windsor Framework agreement, ongoing constraints on UK fiscal and monetary policy decisions taken to curb fluctuating levels of inflation caused by the ongoing cost of living crisis which is being more and more influenced by geopolitical instability in eastern Europe and the Middle East, exacerbated by US economic and foreign policy decision-making.

However, as at the valuation date, all sectors of the local property market are functioning well, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. This is true of the market sectors relating to each of the asset classifications identified and valued herein.

Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards."

## Modern Equivalent Asset

Department of Finance (DoF) has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. Land and Property Services (LPS) have included this requirement within the latest valuation.

### Assets Under Construction (AUC)

Assets classified as “under construction” are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred. They are carried at cost, less any impairment loss. Assets under construction are revalued and depreciation commences when they are brought into use.

### Short Life Assets

Short life assets are not indexed. Short life is defined as a useful life of up to and including 5 years. Short life assets are carried at depreciated historic cost as this is not considered to be materially different from fair value and are depreciated over their useful life.

Where estimated life of fixtures and equipment exceed 5 years, suitable indices will be applied each year and depreciation will be based on indexed amount.

### Revaluation Reserve

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure.

## 1.3 Depreciation

No depreciation is provided on freehold land since land has unlimited or a very long established useful life. Items under construction are not depreciated until they are commissioned. Properties that are surplus to requirements and which meet the definition of “non-current assets held for sale” are also not depreciated.

Otherwise, depreciation is charged to write off the costs or valuation of property, plant and equipment and similarly, amortisation is applied to intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or operational capacity of the assets. Assets held under finance leases are also depreciated over the lower of their estimated useful lives and the terms of the lease. The estimated useful life of an asset is the period over which the Southern HSC Trust expects to obtain economic benefits or operational capacity from the asset. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. The following asset lives have been used:

| Asset Type | Asset Life |
|---|---|
| Freehold Buildings | 3 – 68 years |
| Leasehold property | Remaining period of lease |
| IT assets | 3 – 10 years |
| Intangible assets | 3 – 10 years |
| Other Equipment | 3 – 15 years |

## 1.4 Impairment loss

If there has been an impairment loss due to a general change in prices, the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure within the Statement of Comprehensive Net Expenditure. If the impairment is due to the consumption of economic benefits the full amount of the impairment is charged to the Statement of Comprehensive Net Expenditure and an amount up to the value of the impairment in the revaluation reserve is transferred to the Statement of Comprehensive Net Expenditure Reserve. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited firstly to the Statement of Comprehensive Net Expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

## 1.5 Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure which meets the definition of capital restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written out and charged to operating expenses.

The overall useful life of the Southern HSC Trust's buildings takes account of the fact that different components of those buildings have different useful lives. This ensures that depreciation is charged on those assets at the same rate as if separate components had been identified and depreciated at different rates.

## 1.6 Intangible assets

Intangible assets includes any of the following held - software, licences, trademarks, websites, development expenditure, Patents, Goodwill and

intangible assets under construction. Software that is integral to the operating of hardware, for example an operating system is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible non-current asset. Internally generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and use it;
- the ability to sell or use the intangible asset;
- how the intangible asset will generate probable future economic benefits or operational capacity;
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it; *and*
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

### Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Southern HSC Trust's business or which arise from contractual or other legal rights. Intangible assets are considered to have a finite life. They are recognised only when it is probable that future economic benefits will flow to, or operational capacity be provided to, the Southern HSC Trust; where the cost of the asset can be measured reliably. All single items over £5,000 in value must be capitalised while intangible assets which fall within the grouped asset definition must be capitalised if their individual value is at least £1,000 each and the group is at least £5,000 in value.

The amount recognised for internally generated intangible assets is the sum of the expenditure incurred from the date of commencement of the intangible asset, until it is complete and ready for use.

Intangible assets acquired separately are initially recognised at fair value.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, and as no active market currently exists depreciated replacement cost has been used as fair value.

## 1.7 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. In order to meet this definition IFRS 5 requires that the asset must be

immediately available for sale in its current condition and that the sale is highly probable. A sale is regarded as highly probable where an active plan is in place to find a buyer for the asset through appropriate marketing at a reasonable price and the sale is considered likely to be concluded within one year. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value, less any material directly attributable selling costs. Fair value is open market value, where one is available, including alternative uses.

Assets classified as held for sale are not depreciated.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount. The profit from sale of land which is a non-depreciating asset is recognised within income. The profit from sale of a depreciating asset is shown as a reduced expense. The loss from sale of land or from any depreciating assets is shown within operating expenses. On disposal, the balance for the asset on the revaluation reserve is transferred to the Statement of Comprehensive Net Expenditure reserve.

Property, plant or equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

## 1.8 Inventories

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

## 1.9 Income

Income is classified between Revenue from Contracts and Other Operating Income as assessed in line with organisational activity, under the requirements of IFRS 15 and as applicable to the public sector. Judgement is exercised in order to determine whether the five essential criteria within the scope of IFRS 15 are met in order to define income as a contract.

Income relates directly to the activities of the Southern HSC Trust and is recognised on an accruals basis when, and to the extent that a performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Where the criteria to determine whether a contract is in existence is not met, income is classified as Other Operating Income within the Statement of

Comprehensive Net Expenditure and is recognised when the right to receive payment is established.

Income is stated net of VAT.

## 1.10 Grant in aid

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

## 1.11 Investments

The Southern HSC Trust Charitable Trust Fund investments have been consolidated.

## 1.12 Research and Development expenditure

Research and development expenditure is expensed in the year it is incurred in accordance with IAS 38.

Following the introduction of the 2010 European System of Accounts (ESA10), and the change in budgeting treatment (from the revenue budget to the capital budget) of R&D expenditure, additional disclosures are included in the notes to the accounts. This treatment was implemented from 2016-17.

## 1.13 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

## 1.14 Leases

Under IFRS 16 Leased Assets which the Southern HSC Trust has use/control over and which it does not necessarily legally own are to be recognised as a "Right-Of-Use" (ROU) asset. There are only two exceptions:

- short term assets – with a life of up to one year, and
- low value assets – with a value equal to or below the DoH threshold limit which is currently £5,000.

## Short term leases

Short term leases are defined as having a lease term of 12 months or less. Any lease with a purchase option cannot qualify as a short term lease. The lessee must not exercise an option to extend the lease beyond 12 months. No liability should be recognised in respect of short-term leases, and neither should the underlying asset be capitalised.

Examples of short term leases are software leases, specialised equipment, hire cars and some property leases.

## Low value assets

An asset is considered “low value” if its value, when new, is less than the capitalisation threshold. The application of the exemption is independent of considerations of materiality. The low value assessment is performed on the underlying asset, which is the value of that underlying asset when new.

Examples of low value assets are, tablet and personal computers, small items of office furniture and telephones.

## Separating lease and service components

Some contracts may contain both a lease element and a service element. DoH bodies can, at their own discretion, choose to combine lease and non-lease components of contracts, and account for the entire contract as a lease. If a contract contains both lease and service components IFRS 16 provides guidance on how to separate those components. If a lessee separates lease and service components, it should capitalise amounts related to the lease components and expense elements relating to the service elements. However, IFRS 16 also provides an option for lessees to combine lease and service components and account for them as a single lease. This option will be adopted by HSC bodies where it is time consuming or difficult to separate these components.

## The Southern HSC Trust as lessee

The ROU asset lease liability will initially be measured at the present value of the unavoidable future lease payments. The future lease payments should include any amounts for:

- Indexation;
- amounts payable for residual value;
- purchase price options;
- payment of penalties for terminating the lease;
- any initial direct costs; and
- costs relating to restoration of the asset at the end of the lease.

The lease liability is discounted using the rate implicit in the lease.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the Southern HSC Trust surplus/deficit.

The difference between the carrying amount and the lease liability on transition is recognised as an adjustment to tax-payers equity. After transition the difference is recognised as income in accordance with IAS 20.

### Subsequent measurement

After the commencement date (the date that the lessor makes the underlying asset available for use by the lessee) a lessee shall measure the liability by;

- Increasing the carrying amount to reflect interest;
- Reducing the carrying amount to reflect lease payments made; and
- Re-measuring the carrying amount to reflect any reassessments or lease modifications, or to reflect revised in substance fixed lease payments.

There is a need to reassess the lease liability in the future if there is:

- A change in lease term;
- change in assessment of purchase option;
- change in amounts expected to be payable under a residual value guarantee; or
- change in future payments resulting from change in index or rate.

Subsequent measurement of the ROU asset is measured in same way as other property, plant and equipment. Asset valuations should be measured at either ‘fair value’ or ‘current value in existing use’.

### Depreciation

Assets under a finance lease or ROU lease are depreciated over the shorter of the lease term and its useful life, unless there is a reasonable certainty the lessee will obtain ownership of the asset by the end of the lease term in which case it should be depreciated over its useful life.

The depreciation policy is that for other depreciable assets that are owned by the entity.

Leased assets under construction must also be depreciated.

### The Southern HSC Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Southern HSC Trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Southern HSC Trust's net investment outstanding in respect of the leases.

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

The Southern HSC Trust will classify subleases as follows:

- If the head lease is short term (up to 1 year), the sublease is classified as an operating lease;
- otherwise, the sublease is classified with reference to the right-of-use asset arising from the head lease, rather than with reference to the underlying asset.

## 1.15 Private Finance Initiative (PFI) transactions

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

## 1.16 Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Southern HSC Trust has financial instruments in the form of trade receivables and payables and cash and cash equivalents.

### Financial assets

Financial assets are recognised on the Statement of Financial Position when the Southern HSC Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are de-recognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value. IFRS 9 requires consideration of the expected credit loss model on financial assets. The measurement of the loss allowance depends upon the Southern HSC Trust's assessment at the end of each reporting period as to whether the financial

instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument, where judged necessary.

Financial assets are classified into the following categories:

- financial assets at fair value through Statement of Comprehensive Net Expenditure;
- held to maturity investments;
- available for sale financial assets; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

## Financial liabilities

Financial liabilities are recognised on the Statement of Financial Position when the Southern HSC Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

## Financial risk management

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the relationships with HSC Commissioners, and the manner in which they are funded, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size, therefore the Southern HSC Trust is not exposed to the degree of financial risk faced by business entities.

There are limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing its activities. Therefore, the Southern HSC Trust is exposed to limited credit, liquidity or market risk.

### Currency risk

The Southern HSC Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. There is therefore low exposure to currency rate fluctuations.

### Interest rate risk

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

### Credit risk

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

### Liquidity risk

Since the Southern HSC Trust receives the majority of its funding through its principal Commissioner which is voted through the Assembly, there is low exposure to significant liquidity risks.

## 1.17 Provisions

In accordance with IAS 37, provisions are recognised when the Southern HSC Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Southern HSC Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties.

Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using the relevant discount rates provided by HM Treasury.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

## 1.18 Contingent liabilities/assets

In addition to contingent liabilities disclosed in accordance with IAS 37, the Southern HSC Trust discloses for Assembly reporting and accountability

purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

Under IAS 37, the Southern HSC Trust discloses contingent liabilities where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Southern HSC Trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Southern HSC Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

## 1.19 Employee benefits

### Short-term employee benefits

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year-end. This cost has been estimated using staff numbers and costs applied to average untaken annual leave balances and time off in lieu (TOIL) balances determined from the results of a survey to ascertain leave balances as at 31 March 2026. It is not anticipated that the level of untaken leave will vary significantly from year to year.

### Retirement benefit costs

The Southern HSC Trust participates in the HSC Pension Scheme. Under this multi-employer defined benefit scheme both the Southern HSC Trust and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DoH. The Southern HSC Trust is unable to identify its

share of the underlying assets and liabilities in the scheme on a consistent and reliable basis.

The costs of early retirements are met by the Southern HSC Trust and charged to the Statement of Comprehensive Net Expenditure at the time the Southern HSC Trust commits itself to the retirement.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required with sufficient regularity that the amounts recognised in the financial statements do not differ materially from those determined at the reporting period date. This has been interpreted in the FReM to mean that the period between formal actuarial valuations shall be four years.

The actuary reviews the most recent actuarial valuation at the statement of financial position date and updates it to reflect current conditions. The scheme valuation data provided for the 2020 actuarial valuation will be used in the 2024-25 accounts. The 2020 valuation assumptions will be retained for most demographic assumptions apart from the assumption for future longevity improvements, which are assumed to be in line with the 2022-based population projections for the United Kingdom published by the Office for National Statistics (ONS) on 28 January 2025. Financial assumptions are updated to reflect recent financial conditions. The 2024 valuation is underway but not sufficiently progressed to be used in 2025-26 accounts.

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 2025-26.

### 1.20 Value Added Tax

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

### 1.21 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Southern HSC Trust has no beneficial interest in them. Details of third party assets are given in Note 20 to the accounts.

### 1.22 Government Grants

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

## 1.23 Losses and Special Payments

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

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

## 1.24 Charitable Trust Account Consolidation

HSC Trusts are required to consolidate the accounts of controlled charitable organisations and funds held on trust into their financial statements. As a result, the financial performance and funds have been consolidated. The Southern HSC Trust has accounted for these transfers using merger accounting as required by the FReM.

However, the distinction between public funding and the other monies donated by private individuals still exists.

All funds have been used by the Southern HSC Trust as intended by the benefactor. The Charitable Trust Fund Committee within the Southern HSC Trust manages the internal disbursements. The committee ensures that charitable donations received by the Southern HSC Trust are appropriately managed, invested, expended and controlled, in a manner that is, consistent with the purposes for which they were given and with the Southern HSC Trust's Standing Financial Instructions, Departmental guidance and legislation. All such funds are allocated to the area specified by the benefactor and are not used for any other purpose than that intended by the benefactor.

## 1.25 New Accounting Standards adopted in 2025-26

The following new or amended accounting standard became effective for the 2025-26 financial year:

### IFRS 17 Insurance Contracts:

This standard has been reviewed and considered as part of the preparation of the financial statements.

The Southern HSC Trust has concluded that IFRS 17 is not applicable to its activities and therefore it has no impact on the recognition, measurement, or disclosure of transactions or balances within these financial statements.

## 1.26 The following accounting standards were issued but not yet adopted.

### IFRS 18 Presentation and Disclosure in Financial Statements:

IFRS 18 will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 18 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.

Management has assessed that the impact of the revised presentation and disclosure requirements is not currently known in the context of public sector interpretation and adaptation, guidance will be available from DoH in advance of implementation.

### IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 19 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.

Management currently assesses that there will be minimal impact on application to the Southern HSC Trusts consolidated financial statements.

## 1.27 Going Concern

The accounts are prepared on a going concern basis. While the consolidated statement of financial position reports a negative Statement of Comprehensive Net Expenditure (SCNE) Reserve of £76m (with an overall net asset position of £53m), this liability is resulting from the provision applied for holiday pay. The Southern HSC Trust has been advised by the DoH that this liability will be funded from central government. Therefore the Southern HSC Trust has concluded that it is appropriate to apply the going concern basis of accounting for the financial statements for the year ended 31 March 2026.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

## NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| **Directorate** | **Staff Costs £000s** | **Other Expenditure £000s** | **Total Expenditure £000s** | **Staff Costs £000s** | **Other Expenditure £000s** | **Total Expenditure £000s** |
| Children and Young People's Services | 104,191 | 35,384 | 139,575 | 98,398 | 33,333 | 131,731 |
| Medicine and Unscheduled Care | 145,988 | 52,749 | 198,737 | 140,127 | 50,373 | 190,500 |
| Surgery and Clinical Services | 179,161 | 61,767 | 240,928 | 166,814 | 57,020 | 223,834 |
| Adult Community Services | 143,068 | 124,735 | 267,803 | 135,425 | 113,680 | 249,105 |
| Mental Health and Disability Services | 113,308 | 114,293 | 227,601 | 106,871 | 108,392 | 215,263 |
| Planning, Performance Management and Support Services | 98,258 | 40,383 | 138,641 | 83,838 | 36,668 | 120,506 |
| **Expenditure for Reportable Segments net of Non Cash Expenditure** | **783,974** | **429,311** | **1,213,285** | **731,473** | **399,466** | **1,130,939** |
| **Non Cash Expenditure** | | | 58,313 | | | 90,171 |
| **Total Expenditure per Net Expenditure Account** | | | 1,271,598 | | | 1,221,110 |
| **Income Per Net Expenditure Account** | | | (62,016) | | | (56,371) |
| **Net Expenditure** | | | 1,209,582 | | | 1,164,739 |
| **Adjustment to Net Expenditure per Note 21.1** | | | (59,384) | | | (90,841) |
| **Net Expenditure funded from RRL** | | | 1,150,198 | | | 1,073,898 |
| **Revenue Resource Limit** | | | 1,150,375 | | | 1,074,004 |
| **Surplus against RRL** | | | **177** | | | **106** |

The Southern HSC Trust is managed by way of a directorate structure, each led by a Director, providing an integrated healthcare service for the resident population. The Directors along with Non-Executive Directors, Chair and Chief Executive form the Trust Board which coordinates the activities of the Southern HSC Trust and is considered to be the Chief Operating Decision Maker. A number of changes have taken place to the directorates during the year as outlined on page 7 however, these changes will not be reflected in reporting to Trust Board until 2026-27. 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.

## NOTE 2 (continued) ANALYSIS OF NET EXPENDITURE BY SEGMENT

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

### Children and Young People's Services

- Includes all health services provided for children and adolescents
- Paediatric wards and special care baby units located in Acute facilities
- Disability services including respite, CAMHS, Children Community nursing of complex needs, Dental services and Allied Health Services
- Corporate Parenting
- Family support, Early Years, Health visiting and school nursing are included together with all Sure Start Projects
- Social Services Training Unit

### Medicine and Unscheduled Care Directorate

- Medicine Division (including all medical wards on both Acute Hospital sites and all Medicine sub-specialties including Cardiology, Respiratory, Dermatology, Renal, Stroke, Diabetology/Endocrinology, Neurology, Gastroenterology and Rheumatology)
- Unscheduled Care (including Emergency Departments at Craigavon Area Hospital and Daisy Hill Hospital, Minor Injuries Unit at South Tyrone Hospital, Direct Assessment Unit at Daisy Hill Hospital, Medical Admissions Unit and Medical Ambulatory Unit at Craigavon Area Hospital)
- Pharmacy (Trust wide service)

These services are delivered at the Acute Hospital Sites at Craigavon Area Hospital and Daisy Hill Hospital. A Minor Injuries service is also delivered at South Tyrone Hospital.

### Surgery and Clinical Services

- Cancer and Clinical Services (includes Cancer Services, Hospital Allied Health Professionals, Laboratory & Radiology Services)
- Surgery and Elective Care (including all Surgical wards on both Acute Hospital Sites and General & Oral Surgery, ENT, Urology, Ophthalmology and Trauma & Orthopaedics Specialties. In addition it includes Anaesthetics and Theatre services on both Acute Hospital Sites and Intensive Care in Craigavon Area Hospital. The Directorate has responsibility for all Acute Hospital Administration services)

- Integrated Maternity and Women's Health (including both Hospital and Community Midwifery services and Gynaecology Services)

These services are delivered at the Acute Hospital Sites at Craigavon Area Hospital and Daisy Hill Hospital. Services including outreach clinics, day procedure services and diagnostic services are also delivered on South Tyrone Hospital Site, Lurgan Hospital Site and at Banbridge Health and Care Centre, Portadown Health and Care Centre, Kilkeel Primary Care Centre and Crossmaglen Health Centres and Armagh Community Hospital.

### Adult Community Services

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

### Directorate of Mental Health and Disability Services

- Provides a range of hospital and community services, including social services, community nursing, home treatment, crisis response, Allied Health Professionals and specialist teams
- Acute Mental Health Services and services for Learning Disability patients are provided at the Bluestone Unit, Craigavon
- Nursing & residential home, domiciliary, respite and day care services as well as support to tenants who reside in supporting people accommodation
- Trust Transport services

### Supporting Directorates

- Office of the Chief Executive, including Trust wide Communication Team
- Finance, Procurement & Estates Directorate
- Human Resources & Organisational Development Directorate, (including Occupational Health)
- Planning, Performance & Informatics (IT, Corporate Planning and Performance Improvement)
- Medical Directorate (Governance Patient/Client Safety, Medical Management, Clinical Audit and Emergency Planning)

- Nursing, Midwifery and AHPs (including Functional Support Services which includes all hotel services, health records, laundry and decontamination services)
- Transformation and Improvement (ceased September 2025)
- Encompass Programme
- Research & Development expenditure

The information provided above, which is provided on a Directorate basis, is the same basis on which information is provided monthly to the Trust Board for decision making purposes. The key performance objectives being measured are the targets to remain within RRL and CRL.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

## NOTE 3 Operating Expenses

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | Trust £000s | CTF £000s | Consolidated £000s | Trust £000s | CTF £000s | Consolidated £000s |
| **Operating Expenses are as follows: -** | | | | | | |
| Wages and salaries | 606,918 | - | 606,918 | 572,889 | - | 572,889 |
| Social security costs | 66,260 | - | 66,260 | 52,926 | - | 52,926 |
| Other pension costs | 110,796 | - | 110,796 | 105,658 | - | 105,658 |
| Purchase of care from non-HPSS bodies | 202,603 | - | 202,603 | 180,652 | - | 180,652 |
| Personal social services | 52,754 | - | 52,754 | 49,199 | - | 49,199 |
| Recharges from other HSC organisations | 3,610 | - | 3,610 | 3,721 | - | 3,721 |
| Supplies and services - Clinical | 87,322 | - | 87,322 | 83,757 | - | 83,757 |
| Supplies and services - General | 9,291 | - | 9,291 | 9,015 | - | 9,015 |
| Establishment | 11,638 | - | 11,638 | 12,038 | - | 12,038 |
| Transport | 5,176 | - | 5,176 | 5,894 | - | 5,894 |
| Premises | 38,380 | - | 38,380 | 37,821 | - | 37,821 |
| Bad debts | 1,050 | - | 1,050 | 691 | - | 691 |
| Rentals under operating leases | 1,974 | - | 1,974 | 2,661 | - | 2,661 |
| Interest charges under IFRS16 | 107 | - | 107 | 69 | - | 69 |
| Interest Charges | 1 | - | 1 | - | - | - |
| Research and Development expenditure | 519 | - | 519 | 20 | - | 20 |
| BSO services | 7,671 | - | 7,671 | 7,224 | - | 7,224 |
| Training | 1,725 | - | 1,725 | 1,629 | - | 1,629 |
| Professional fees | 381 | - | 381 | 258 | - | 258 |
| Patients travelling expenses | 106 | - | 106 | 79 | - | 79 |
| Other charitable expenditure | - | 721 | 721 | - | 663 | 663 |
| Miscellaneous expenditure | 5,003 | - | 5,003 | 4,738 | - | 4,738 |

## NOTE 3 (continued) Operating Expenses

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | Trust £000s | CTF £000s | Consolidated £000s | Trust £000s | CTF £000s | Consolidated £000s |
| **Non-cash items** | | | | | | |
| Depreciation | 24,283 | - | 24,283 | 28,063 | - | 28,063 |
| Amortisation | 3,344 | - | 3,344 | 3,696 | - | 3,696 |
| Impairments | (3,780) | - | (3,780) | (14,581) | - | (14,581) |
| Loss / (Profit) on disposal of property, plant & equipment (excluding profit on land) | 155 | - | 155 | (41) | - | (41) |
| Provisions provided for in year | 36,145 | - | 36,145 | 67,524 | - | 67,524 |
| Cost of borrowing of provisions (unwinding of discount on provisions) | (1,959) | - | (1,959) | 5,390 | - | 5,390 |
| Auditors' remuneration | 125 | 9 | 134 | 120 | 8 | 128 |
| Add back of notional charitable expenditure | - | (9) | (9) | - | (8) | (8) |
| **Total Operating Expenses** | **1,271,598** | **721** | **1,272,319** | **1,221,110** | **663** | **1,221,773** |

The Southern HSC Trust incurred costs of £nil from the Northern Ireland Audit Office in respect of the National Fraud Initiative exercise for 2025-26 (2024-25: £1,830).

Further detailed analysis of staff costs is located in the Staff Report on pages 116 to 131 within the Accountability Report.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

## NOTE 4 INCOME

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| **4.1 Revenue from contracts with Customers** | **Trust £000s** | **CTF £000s** | **Consolidated £000s** | **Trust £000s** | **CTF £000s** | **Consolidated £000s** |
| GB/Republic of Ireland Health Authorities | 366 | - | 366 | 311 | - | 311 |
| HSC Trusts | 135 | - | 135 | - | - | - |
| Non-HSC:- Private patients | 131 | - | 131 | 274 | - | 274 |
| Non-HSC:- Other | 1,567 | - | 1,567 | 1,104 | - | 1,104 |
| Clients' contributions | 44,226 | - | 44,226 | 41,866 | - | 41,866 |
| CAWT Income | - | - | - | 1 | - | 1 |
| Seconded Staff | 828 | - | 828 | 718 | - | 718 |
| Revenue from non-patient services | 8,578 | - | 8,578 | 6,700 | - | 6,700 |
| **Total** | **55,831** | **-** | **55,831** | **50,974** | **-** | **50,974** |
| | | | | | | |
| **4.2 Other Operating Income** | | | | | | |
| Other income from non-patient services | 5,649 | - | 5,649 | 4,892 | - | 4,892 |
| Donations / Government grant / Lottery funding for non-current assets | 142 | - | 142 | 94 | - | 94 |
| Charitable Income received by charitable trust fund | - | 359 | 359 | - | 305 | 305 |
| Finance Income | - | 204 | 204 | - | 207 | 207 |
| Research & Development | 394 | - | 394 | 411 | - | 411 |
| | | | | | | |
| **Total** | **6,185** | **563** | **6,748** | **5,397** | **512** | **5,909** |
| | | | | | | |
| **TOTAL INCOME** | **62,016** | **563** | **62,579** | **56,371** | **512** | **56,883** |

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

## NOTE 5.1 Consolidated Property, Plant & Equipment Year Ended 31 March 2026

| | 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 2025 | 40,952 | 320,136 | 12,102 | 1,969 | 85,326 | 9,476 | 35,221 | 1,666 | 506,848 |
| Indexation | - | 6,510 | 379 | - | 4,955 | 1,094 | - | 159 | 13,097 |
| Additions | - | 10,835 | 98 | 1,336 | 7,073 | 1,777 | 4,821 | 1 | 25,941 |
| Donations / Government grant / Lottery funding | - | - | - | 142 | 0 | - | - | - | 142 |
| Reclassifications | 127 | (127) | - | - | - | - | - | - | 0 |
| Transfers | 330 | (330) | - | - | 2 | - | - | (2) | 0 |
| Revaluation | - | - | - | - | 144 | - | - | - | 144 |
| Impairment charged to the SoCNE | - | - | - | - | - | - | - | - | 0 |
| Impairment charged to the revaluation reserve | - | - | - | - | (1) | - | - | - | (1) |
| Reversal of impairments | - | 3,846 | 116 | - | 1 | - | - | - | 3,963 |
| Disposals | - | - | - | - | (34,075) | (815) | (8,676) | (1,269) | (44,835) |
| At 31 March 2026 | **41,409** | **340,870** | **12,695** | **3,447** | **63,425** | **11,532** | **31,366** | **555** | **505,299** |
| **Depreciation** | | | | | | | | | |
| At 1 April 2025 | - | 3,037 | 92 | - | 62,233 | 6,801 | 20,382 | 1,420 | 93,965 |
| Indexation | - | 281 | 13 | - | 3,693 | 817 | - | 130 | 4,934 |
| Reclassifications | - | - | - | - | 1 | - | - | (1) | 0 |
| Transfers | - | - | - | - | - | - | - | - | 0 |
| Revaluation | - | - | - | - | 145 | - | - | - | 145 |
| Impairment charged to the SoCNE | - | - | - | - | 12 | - | - | - | 12 |
| Impairment charged to the revaluation reserve | - | - | - | - | 35 | - | - | - | 35 |
| Reversal of impairments (indexation) | - | 166 | 4 | - | 1 | - | - | - | 171 |
| Disposals | - | - | - | - | (33,693) | (815) | (8,676) | (1,269) | (44,453) |
| Provided during the year | - | 15,538 | 558 | - | 3,885 | 133 | 4,094 | 75 | 24,283 |
| At 31 March 2026 | **-** | **19,022** | **667** | **-** | **36,312** | **6,936** | **15,800** | **355** | **79,092** |
| **Carrying Amount** | | | | | | | | | |
| At 31 March 2026 | **41,409** | **321,848** | **12,028** | **3,447** | **27,113** | **4,596** | **15,566** | **200** | **426,207** |
| At 31 March 2025 | **40,952** | **317,099** | **12,010** | **1,969** | **23,093** | **2,675** | **14,839** | **246** | **412,883** |
| **Asset financing** | | | | | | | | | |
| Owned | 41,409 | 321,681 | 12,028 | 3,447 | 25,338 | 4,596 | 15,566 | 200 | 424,265 |
| Right-of-use | - | 167 | - | - | 1,775 | - | - | - | 1,942 |
| **Carrying Amount** | | | | | | | | | |
| At 31 March 2026 | **41,409** | **321,848** | **12,028** | **3,447** | **27,113** | **4,596** | **15,566** | **200** | **426,207** |

## NOTE 5.1 (Continued) Consolidated Property, Plant & Equipment Year Ended 31 March 2026

| | £000s |
|---|---|
| Of which: | |
| Trust | 426,207 |
| 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 £1,085k (2024-25: £984k).

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

| | 2026 £000s | 2025 £000s |
|---|---|---|
| Donations | 142 | 94 |

RICS, IFRS, IVS & HM Treasury compliant asset revaluation of land and buildings for financial reporting purposes are undertaken by Land and Property Services (LPS) at least once in every five-year period. Figures are then restated annually, between revaluations, using indices provided by LPS. The last asset revaluation was carried out on 31 January 2025.

See Accounting Policy note 1.2 for more details of valuation of Property, Plant & Equipment.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

## NOTE 5.2 Consolidated Property, Plant & Equipment Year Ended 31 March 2025

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

## NOTE 6.1 Consolidated Intangible Assets Year Ended 31 March 2026

| | Software Licenses | Other | Total |
|---|---|---|---|
| | £000s | £000s | £000s |
| **Cost or Valuation** | | | |
| At 1 April 2025 | 24,289 | - | 24,289 |
| Additions | 752 | - | 752 |
| Reclassifications | - | - | - |
| Impairment charged to the SoCNE | - | - | - |
| Disposals | (4,870) | - | (4,870) |
| At 31 March 2026 | **20,171** | - | **20,171** |
| **Amortisation** | | | |
| At 1 April 2025 | 16,685 | - | 16,685 |
| Impairment charged to the SoCNE | - | - | - |
| Impairment charged to the Revaluation Reserve | - | - | - |
| Disposals | (4,870) | - | (4,870) |
| Provided during the year | 3,344 | - | 3,344 |
| At 31 March 2026 | **15,159** | - | **15,159** |
| **Carrying Amount** | | | |
| At 31 March 2026 | **5,012** | - | **5,012** |
| At 31 March 2025 | **7,604** | - | **7,604** |
| **Asset financing** | | | |
| Owned | 5,012 | - | 5,012 |
| Right-of-use | - | - | - |
| **Carrying Amount** | | | |
| At 31 March 2026 | **5,012** | - | **5,012** |

There were no assets funded by Donations/Government Grant or Lottery Funding during the year (2024-25: £Nil).

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

## NOTE 6.2 Consolidated Intangible Assets Year Ended 31 March 2025

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

## NOTE 7 IMPAIRMENTS

| | 2026 | | |
|---|---|---|---|
| | Property, Plant & Equipment | Intangibles | Total |
| | £000s | £000s | £000s |
| Impairments credited to Statement of Comprehensive Net Expenditure | (3,780) | - | (3,780) |
| Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement) | 36 | - | 36 |
| **Total value of impairments for the period** | **(3,744)** | **-** | **(3,744)** |

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

## NOTE 8 FINANCIAL INSTRUMENTS

As the cash requirements of the Southern HSC Trust are met through Grant-in-Aid provided by the DoH, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Southern HSC Trust's expected purchase and usage requirements and the Southern HSC Trust is therefore exposed to little credit, liquidity or market risk.

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | Non-Current Assets | Assets | Liabilities | Non-Current Assets | Assets | Liabilities |
| | £000s | £000s | £000s | £000s | £000s | £000s |
| Balance at 1 April | 5,301 | - | - | 5,434 | - | - |
| Disposals | (1,500) | - | - | - | - | - |
| Revaluations | 560 | - | - | (133) | - | - |
| Balance at 31 March | **4,361** | **-** | **-** | **5,301** | **-** | **-** |
| Trust | - | - | - | - | - | - |
| Charitable Trust Fund | **4,361** | **-** | **-** | **5,301** | **-** | **-** |
| | **4,361** | **-** | **-** | **5,301** | **-** | **-** |

The only other financial instruments held by the Southern HSC Trust as at 31 March 2026 are cash, trade receivables, and trade payables. Details of these can be seen in Notes 11, 12 and 13 respectively. This situation also applied in 2024-25.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

## NOTE 9 MARKET VALUE OF INVESTMENTS

### NOTE 9.1 Market value of investments as at 31 March 2026

| | Held in UK £000s | Held outside UK £000s | 2026 Total £000s | 2025 Total £000s |
|---|---|---|---|---|
| Investments in a Common Deposit Fund or Investment Fund | 4,361 | - | 4,361 | 5,301 |
| **Total market value of Fixed asset investments** | **4,361** | **-** | **4,361** | **5,301** |

### NOTE 9.2 Analysis of expected timing of discounted flows

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | Non-Current Assets £000s | Assets £000s | Liabilities £000s | Non-Current Assets £000s | Assets £000s | Liabilities £000s |
| Not Later than one year | - | - | - | 1,500 | - | - |
| Later than one year and not later than five years | 4,361 | - | - | 3,801 | - | - |
| | **4,361** | **-** | **-** | **5,301** | **-** | **-** |

### Investments

The Northern Ireland Central Investment Fund for Charities (NICIFC) continues to hold funds invested on behalf of the Southern HSC Trust Charitable Trust Funds. The net market value of funds invested with the NICIFC at 31 March 2026 was £4,361k.

During the year there was a disinvestment from the Charitable Trust Funds investment, resulting in a realised gain on disposal of £73k, in addition to the unrealised gain on revaluation of £487k, total gain £560k (2024-25: loss £133k).

## NOTE 10 INVENTORIES

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| **Classification** | **Trust £000s** | **CTF £000s** | **Consolidated £000s** | **Trust £000s** | **CTF £000s** | **Consolidated £000s** |
| Pharmacy supplies | 4,257 | - | 4,257 | 3,872 | - | 3,872 |
| Building & engineering supplies | 134 | - | 134 | 152 | - | 152 |
| Fuel | 350 | - | 350 | 232 | - | 232 |
| Community care appliances | 423 | - | 423 | 454 | - | 454 |
| Laboratory materials | 503 | - | 503 | 475 | - | 475 |
| Laundry | 102 | - | 102 | 116 | - | 116 |
| Other | 498 | - | 498 | 515 | - | 515 |
| **Total** | **6,267** | **-** | **6,267** | **5,816** | **-** | **5,816** |

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

## NOTE 11 CASH AND CASH EQUIVALENTS

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | Trust | CTF | Consolidated | Trust | CTF | Consolidated |
| | £000s | £000s | £000s | £000s | £000s | £000s |
| Balance at 1 April | 6,689 | 1,240 | 7,929 | 813 | 1,248 | 2,061 |
| Net change in cash and cash equivalents | (4,739) | 1,209 | (3,530) | 5,876 | (8) | 5,868 |
| **Balance at 31 March** | **1,950** | **2,449** | **4,399** | **6,689** | **1,240** | **7,929** |

| **The following balances at 31 March were held at** | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | Trust | CTF | Consolidated | Trust | CTF | Consolidated |
| | £000s | £000s | £000s | £000s | £000s | £000s |
| Commercial banks and cash in hand | 1,950 | 2,449 | 4,399 | 6,689 | 1,240 | 7,929 |
| **Balance at 31 March** | **1,950** | **2,449** | **4,399** | **6,689** | **1,240** | **7,929** |

## NOTE 11 (continued) CASH AND CASH EQUIVALENTS

## NOTE 11.1 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

| 2025-26 | 2025 £000s | Cash Flows £000s | Acquisition £000s | 2026 £000s |
|---|---|---|---|---|
| Lease Liabilities | 2,615 | (1,046) | 412 | 1,981 |
| **Total Liabilities from Financing activities** | **2,615** | **(1,046)** | **412** | **1,981** |

| 2024-25 | 2024 £000s | Cash Flows £000s | Acquisition £000s | 2025 £000s |
|---|---|---|---|---|
| Lease Liabilities | 540 | (993) | 3,068 | 2,615 |
| **Total Liabilities from Financing activities** | **540** | **(993)** | **3,068** | **2,615** |

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

## NOTE 12 TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS

| | Trust | CTF | 2026 Consolidation Adjustments | Consolidated | Restated Trust | CTF | 2025 Consolidation Adjustments | Restated Consolidated |
|---|---|---|---|---|---|---|---|---|
| | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s |
| **Amounts falling due within one year** | | | | | | | | |
| Trade receivables | 18,939 | - | - | 18,939 | 16,624 | - | - | 16,624 |
| VAT receivable | 8,257 | - | - | 8,257 | 7,382 | - | - | 7,382 |
| Other receivables - not relating to fixed assets | 5,574 | 74 | (283) | 5,365 | 1,238 | 79 | (420) | 897 |
| Other receivables – relating to property, plant and equipment | - | - | - | - | - | - | - | - |
| **Trade and other receivables** | **32,770** | **74** | **(283)** | **32,561** | **25,244** | **79** | **(420)** | **24,903** |
| Prepayments | 6,478 | - | - | 6,478 | 8,019 | - | - | 8,019 |
| Accrued Income | 1,581 | - | - | 1,581 | 1,167 | - | - | 1,167 |
| **Other current assets** | **8,059** | **-** | - | **8,059** | **9,186** | **-** | - | **9,186** |
| **Amounts falling due after more than one year** | | | | | | | | |
| Trade receivables | 1,339 | - | - | 1,339 | 1,211 | - | - | 1,211 |
| Deposits and advances | 24 | - | - | 24 | - | - | - | - |
| **Trade and other receivables** | **1,363** | **-** | **-** | **1,363** | **1,211** | - | - | **1,211** |
| **TOTAL TRADE AND OTHER RECEIVABLES** | **34,133** | **74** | **(283)** | **33,924** | **26,455** | **79** | **(420)** | **26,114** |
| **TOTAL OTHER CURRENT ASSETS** | **8,059** | **-** | **-** | **8,059** | **9,186** | - | - | **9,186** |
| **TOTAL RECEIVABLES, FINANCIAL AND OTHER ASSETS** | **42,192** | **74** | **(283)** | **41,983** | **35,641** | **79** | **(420)** | **35,300** |

The balances are net of a provision for bad debts of £6,825k (2025: £5,996k).The Southern HSC Trust did not have any intangible current assets at 31 March 2026 or at 31 March 2025.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

## NOTE 13 TRADE PAYABLES, FINANCIAL AND OTHER LIABILITIES

| | 2026 | | | | 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | 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 | 26,845 | - | - | 26,845 | 40,426 | - | - | 40,426 |
| Trade capital payables - property, plant and equipment | 13,958 | - | - | 13,958 | 13,075 | - | - | 13,075 |
| Trade capital payables – intangibles | 125 | - | - | 125 | 280 | - | - | 280 |
| Trade revenue payables | 34,794 | - | - | 34,794 | 34,085 | - | - | 34,085 |
| Payroll payables | 34,989 | - | - | 34,989 | 36,654 | - | - | 36,654 |
| Clinical negligence payables | 3,175 | - | - | 3,175 | 2,518 | - | - | 2,518 |
| BSO payables | 1,079 | - | - | 1,079 | 938 | - | - | 938 |
| Other payables | 4,188 | 319 | (283) | 4,224 | 2,770 | 457 | (420) | 2,807 |
| Accruals | 26,767 | - | - | 26,767 | 23,895 | - | - | 23,895 |
| **Current trade and other payables** | **145,920** | **319** | **(283)** | **145,956** | **154,641** | **457** | **(420)** | **154,678** |
| Current part of finance leases | 1,158 | - | - | 1,158 | 1,073 | - | - | 1,073 |
| **Other Current Liabilities** | **1,158** | **-** | **-** | **1,158** | **1,073** | **-** | **-** | **1,073** |
| **Total Payables falling due within one year** | **147,078** | **319** | **(283)** | **147,114** | **155,714** | **457** | **(420)** | **155,751** |
| **Amounts falling due after more than one year** | | | | | | | | |
| Finance leases | 823 | - | - | 823 | 1,542 | - | - | 1,542 |
| **Total non current other payables** | **823** | **-** | **-** | **823** | **1,542** | **-** | **-** | **1,542** |
| **TOTAL TRADE PAYABLES, FINANCIAL AND OTHER LIABILITIES** | **147,901** | **319** | **(283)** | **147,937** | **157,256** | **457** | **(420)** | **157,293** |

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

## NOTE 14 PROVISIONS FOR LIABILITIES AND CHARGES – 2026

| | Holiday Pay and Sick Pay | Clinical negligence | Other | Total |
|---|---|---|---|---|
| | £000s | £000s | £000s | £000s |
| **Balance at 1 April 2025** | 119,407 | 140,595 | 5,237 | 265,239 |
| Provided in year | - | 49,928 | 2,969 | 52,897 |
| (Provisions not required written back) | (8,818) | (7,376) | (558) | (16,752) |
| (Provisions utilised in the year) | - | (10,151) | (1,950) | (12,101) |
| Cost of borrowing (unwinding of discount) | (2,940) | 970 | 11 | (1,959) |
| **At 31 March 2026** | **107,649** | **173,966** | **5,709** | **287,324** |

Provisions have been made for 7 types of potential liabilities: Clinical Negligence, Employer's and Occupier's Liability, Injury Benefit, Employment Law, Holiday Pay and Sick Pay, Pay Modernisation and Senior Executives' pay.

The provision for Injury Benefit relates to the future liabilities for the Southern HSC Trust based on information provided by the HSC Pension Branch. For Clinical Negligence, Employer's and Occupier's claims and Employment Law the Southern HSC Trust has estimated an appropriate level of provision, for each individual case, based on professional legal advice with Periodic Payment Order (PPO) calculations based on estimated life expectancy data provided by professional legal advisors. Further details are outlined below.

For Holiday Pay and Sick Pay the Southern HSC Trust has estimated an appropriate level of provision on the basis of the duration of the claims and the application of a regionally agreed estimated payment percentage of the total expenditure incurred on affected allowances. Pay Modernisation and Senior Executives' pay have been estimated based on the information available at the end of March 2026 in respect of individual claims.

## NOTE 14 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2026

### Clinical Negligence

Where a finding of clinical negligence has been made, the Southern HSC Trust has relied on professional legal advice to estimate an appropriate level of provision, for each individual case, with Periodic Payment Order (PPO) calculations based on estimated life expectancy data.

A discount rate is applied by courts to a lump-sum award of damages for future financial loss in a personal injury case, to take account of the return that can be earned from investment. In accordance with the provisions of Schedule C1 to the Damages Act 1996, (as amended by the Damages (Return on Investment) Act (Northern Ireland) 2022) the Government Actuary has reviewed the discount rate for Northern Ireland and determined that the rate should be +0.5% with effect from 27 September 2024, having previously been set at -1.5% from 22 March 2022. The next planned review of the rate will commence in July 2029. Estimated settlement values provided by DLS as at 31 March 2026 wholly reflect the updated rate where applicable.

### Holiday Pay and Sick Pay Liability

On 4 October 2023, the Supreme Court handed down the decision in the case of the Chief Constable of the PSNI v Agnew and others. The judgement confirmed that the claimants are able to bring their claims under the 'unlawful deductions' provisions of the Employment Rights (Northern Ireland) Order 1996 and can thus claim in respect of a series of deductions potentially going back to the beginning of their employment or the implementation of the Working Time Regulations in 1998.

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

The outcome of this case has widespread implications for all public sector bodies in Northern Ireland in respect of both the pay elements that must be included in holiday pay calculations and the period of retrospection which means that some employees may be able to bring claims to be rectified as far back as 1998 in respect of holiday pay. Under Agenda for Change, the contractual provisions for Sick Pay mirror those for Holiday Pay i.e. payment includes what would have been paid had the employee been in work.

With effect from 1 April 2025, HSC employers implemented an interim arrangement for the calculation of holiday pay to ensure employees are paid appropriately for

## NOTE 14 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2026

periods of annual leave. This interim solution also covers periods of sick leave. This interim arrangement was agreed with trade unions pending the introduction of the new HR and payroll system in 2026-27.

However, a provision in respect of the retrospective payment is still required for the period 1998-99 to 2025-26 for Holiday Pay and 2024-25 to 2025-26 for Sick Pay. The Southern HSC Trust provision at 31 March 2026 reflects this retrospective time frame. In calculating the provision, the Southern HSC Trust has used payroll data available, for all eligible staff, within the current HRPTS system back to 2014 with averaging applied for the prior years and changes in staffing numbers. Actual staffing numbers are available for year ended 31 March 2007 to date. Staffing numbers prior to this have been estimated based on an assumed 1% increase per annum.

Revised Working Time Directive (14.5%) and Employer costs rates have been factored in, and compound interest applied. A settlement year of 2028-29 has been used and as such the overall value of the provision has been discounted to determine the net present value.

The key areas of uncertainty include:

- The reliability of the data used.
- The terms of the settlement which is subjected to a number of factors including:
    - the determination of a very significant number of cases currently progressing through the Industrial Tribunal;
    - the number of further Industrial Tribunal claims lodged by employees;
    - any settlement of these claims agreed with the claimants of their legal representatives;
    - the number of grievances already lodged by employees in respect of the underpayment / incorrect payment of holiday pay which require to be resolved and any settlement negotiations with trade unions;
    - the number of further grievances received; and
    - any potential requirement to include additional numbers of employees within any settlement.
- The uptake rate for current or past employees.
- The extent of attrition in the workforce.
- Delays in the time it will take to administer the payments, once agreed.
- The extent to which interest will apply.

A sensitivity analysis has been undertaken to determine how sensitive the total provision is to changes in a number of the assumptions. This analysis will support management in making informed decision in respect of any final settlement.

## NOTE 14 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2026

The calculation of the holiday pay and sick pay provision is sensitive to the rates applied in respect of Working Time Directive, Employers National Insurance and compound interest, as well as the potential uptake in claimants. The sensitivity analysis in respect of likely uptake rate has been applied based on the frequency of staff claims in prior years; applying a threshold of 6 claims per year to reflect a regular pattern of occurrence, and 4 claims per year reflecting a lower frequency of occurrence.

The table below shows the potential impact of varying applicable rates.

### Holiday Pay and Sick Pay Provision – Sensitivity Analysis on Assumptions

| Sensitivity Analysis | Impact £m | As % |
|---|---|---|
| WTD Rate – Increase 1% | 7.4 | 7 |
| WTD Rate – Decrease 1% | (7.4) | (6) |
| NIC Rate – Increase 1% | 0.9 | 1 |
| NIC Rate – Increase 1% | (0.9) | (1) |
| Compound Interest Rate – Increase 1% | 15.9 | 15 |
| Compound Interest Rate – Decrease 1% | (13.4) | (11) |
| Uptake based on minimum 6 claims per employee per annum | (22.6) | (21) |
| Uptake based on minimum 4 claims per employee per annum | (11.8) | (11) |

### Pay Modernisation and Senior Executive Pay

Some Senior HSC Executives had raised a legal challenge to their pay arrangements. The case relates to retrospective pay and the fact that the claimants will not benefit from the new Senior Executive pay structures effective from 1 April 2023 and implemented during 2025-26. The case remains ongoing at a regional level but progress is slow.

In addition, during the 2025-26 year, the Department of Health commissioned a job evaluation review of all Senior Executive posts across the HSC. The outcomes of this review have been released and there is a final stage opportunity for each Senior Executive to appeal the job evaluation post level outcome up to 31 May 2026. The

## NOTE 14 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2026

Southern HSC Trust has currently received a number of appeals which may result in backdated payments.
Given the level of uncertainty around the amount and timing of these liabilities, it is deemed appropriate to treat them as a provision under IAS 37 at 31 March 2026.

**Comprehensive Net Expenditure Account charges**

| | 2026 £000s | 2025 £000s |
|---|---|---|
| Arising during the year | 52,897 | 75,703 |
| Reversed unused | (16,752) | (8,179) |
| Cost of borrowing (unwinding of discount) | (1,959) | 5,390 |
| **Total charge within Operating expenses** | **34,186** | **72,914** |

**Analysis of expected timing of discounted flows**

| | Holiday Pay and Sick Pay | Clinical negligence | Other | 2026 Total |
|---|---|---|---|---|
| | £000s | £000s | £000s | £000s |
| Not later than one year | - | 76,072 | 2,712 | 78,784 |
| Later than one year and not later than five years | 107,649 | 77,292 | 2,123 | 187,064 |
| Later than five years | - | 20,602 | 874 | 21,476 |
| **At 31 March 2026** | **107,649** | **173,966** | **5,709** | **287,324** |

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

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

**Analysis of expected timing of discounted flows**

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

## NOTE 15 CAPITAL AND OTHER COMMITMENTS

**Contracted commitments at 31 March not otherwise included in these financial statements**

| | 2026 £000s | 2025 £000s |
|---|---|---|
| Property, Plant & Equipment | 114 | 791 |
| | **114** | **791** |

## NOTE 16 COMMITMENTS UNDER LEASES

### Note 16.1 Quantitative disclosures around right-of-use assets

| | Buildings £000s | Plant and Machinery (Equipment) £000s | Total £000s |
|---|---|---|---|
| **Cost of valuation** | | | |
| At 1 April 2025 | 385 | 3,906 | 4,291 |
| Additions | 244 | 168 | 412 |
| **At 31 March 2026** | **629** | **4,074** | **4,703** |
| **Depreciation expense** | | | |
| At 1 April 2025 | 282 | 1,394 | 1,676 |
| Charged in year | 180 | 905 | 1,085 |
| **At 31 March 2026** | **462** | **2,299** | **2,761** |
| **Carrying amount at 31 March 2026** | **167** | **1,775** | **1,942** |
| **Carrying amount at 31 March 2025** | **103** | **2,512** | **2,615** |
| **Interest charged on IFRS16 Assets** | **4** | **103** | **107** |

## NOTE 16 (continued) COMMITMENTS UNDER LEASES

### Note 16.2 Quantitative disclosures around lease liabilities

### Maturity analysis

| | 2026 £000s | 2025 £000s |
|---|---|---|
| **Buildings** | | |
| Not later than one year | 108 | 104 |
| Later than one year and not later than five years | 109 | 52 |
| | **217** | **156** |
| Less Interest Element | (5) | (5) |
| Present Value of obligations | 212 | 151 |
| **Other** | | |
| Not later than one year | 1,107 | 964 |
| Later than one year and not later than five years | 631 | 1,613 |
| Later than five years | 132 | 70 |
| | 1,870 | 2,647 |
| Less Interest Element | (101) | (183) |
| Present Value of obligations | 1,769 | 2,464 |
| **Total present value of obligations** | **1,981** | **2,615** |
| Current portion | 1,158 | 1,520 |
| Non-Current portion | 823 | 1,095 |

## NOTE 16 (continued) COMMITMENTS UNDER LEASES

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

| | 2026 £000s | 2025 £000s |
|---|---|---|
| Expense related to short-term leases | - | - |
| Expense related to low-value asset leases (excluding short-term leases) | 1,974 | 2,662 |
| **Total** | **1,974** | **2,662** |

### Note 16.4 Quantitative disclosures around cash outflow for leases

| | 2026 £000s | 2025 £000s |
|---|---|---|
| Total cash outflow for lease | 1,161 | 1,062 |

## NOTE 17 COMMITMENTS UNDER PFI AND OTHER SERVICE CONCESSION ARRANGEMENT CONTRACTS

### Note 17.1 PFI and other service concession arrangement schemes deemed to be off-balance sheet (SoFP)

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

### Note 17.2 'Service' element of PFI and other service concession arrangement schemes deemed to be on-balance sheet (SoFP)

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

## NOTE 18 CONTINGENT LIABILITIES

Material contingent liabilities are noted in the table below, where there is a 50% or less probability that a payment will be required to settle any possible obligations. The amounts or timing of any outflow will depend on the merits of each case.

**Contingent Liabilities**

| | 2026 £000s | 2025 £000s |
|---|---|---|
| Clinical Negligence | 936 | 927 |
| Employers' Liability | 182 | 177 |
| Public Liability | 58 | 60 |
| Other | 16 | 11 |
| **Total** | **1,192** | **1,175** |

### Unquantifiable Contingent Liabilities

### Public Sector Pensions - Injury to Feelings Claims

The Department of Finance (DoF) is a named Respondent in a class action affecting employers across the public sector and is managing claims on behalf of the Northern Ireland Civil Service (NICS) Departments. This is an extremely complex case with potential implications for the NICS and wider public sector. However, given the complexities, the cases are still at an early stage of proceedings and until there is further clarity on potential scope and impact, a reliable estimate of liability cannot be provided.

### Clinical Excellence

The Clinical Excellence scheme recognised the contribution of consultants who show commitment to achieving the delivery of high quality care to patients and to the continuous improvement of Health and Social Care. There were 12 levels of award; lower awards (steps 1-8) were made by local (employer) committees, and higher awards were recommended by the Northern Ireland Clinical Excellence Awards Committee (NICEAC). Self-nomination was, however, the only method of application within the scheme. After consultations, the DoH decided that from the 2013-14 awards round and onwards, no new clinical excellence awards (higher or lower) would be made to medical and dental consultants. This decision has been subject to legal challenge. An agreement was reached through mediation for the design and implementation of a future scheme. A public consultation was carried out and DoH

## NOTE 18 (continued) CONTINGENT LIABILITIES

are currently considering the response. Any scheme will require Ministerial approval. Whilst the current litigation has been paused, it has not been withdrawn, and therefore the legal case has continued to be treated as a contingent liability at 31 March 2026. At this stage, it is not possible to determine the amount and timing of the financial impact, if any.

### Statutory Public Inquiry

The draft report into the Statutory Independent Public Inquiry into Urology Services in the Southern HSC Trust is awaited in 2026. There have been 35 urology claims lodged to date against the Southern HSC Trust. There may be a possible future liability for potential claims not yet received from patients in relation to their care and treatment. The potential for liability for this is currently unclear and any financial impact unquantifiable at present.

### Holiday Pay and Sick Pay Liability

The Southern HSC Trust has made provision of the potential liability, for claims for shortfalls to staff in holiday pay, and for breach of contract in relation to sick pay. However, the extent to which the liability may exceed this amount remains uncertain as the calculation will rely on the outworkings of the Supreme Court judgment and will have to be agreed as part of any negotiated settlement with Trade Unions.

## NOTE 18.1 FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT

Because of the relationships with HSC Commissioners, and the manner in which they are funded, financial instruments play a more limited role within Trusts in creating risk than would apply to a non-public sector body of a similar size, therefore Trusts are not exposed to the degree of financial risk faced by business entities. Trusts have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing the Southern HSC 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 2026 or 31 March 2025.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

## NOTE 19 RELATED PARTY TRANSACTIONS

The Southern HSC Trust is an Arm's length body of the DoH and as such the Department is a related party with which the Southern HSC Trust has had various material transactions during the year.

- Funding – Revenue Resource Limit of £1,150,375k (2025: £1,074,004k)

During the year, none of the board members, members of key management or other related parties has undertaken any material transactions with the Southern HSC Trust, apart from the transactions with the Department noted.

Interests in the following organisations were declared by Non-Executive, Executive and other Directors and recorded on the Southern HSC Trust Register of Interests. Where an interest is disclosed, the related party is not involved directly in the award of a contract with the related organisation.

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

Mrs Liz Ensor has two close relatives who are shareholders and directors of MD Healthcare Ltd. The value of transactions between related parties was: MD Healthcare Ltd invoiced Southern HSC Trust £3,697,537 (2024-25: £3,579,186) in respect of nursing and residential care provision. Balance outstanding at year end was £1,754 (2024-25: £nil). Mrs Ensor had no involvement in the procurement of this contract. The transactions were made on terms equivalent to those that prevail in arm's length transactions. The Southern HSC Trust charged MD Healthcare Ltd £1,062 (2024-25: £627) in respect of goods purchased from Southern HSC Trust stores. Balance outstanding at year end due to Southern HSC Trust was £nil (2024-25: £55). Mrs Ensor has no involvement in the supply of these goods. The transactions were made on terms equivalent to those that prevail in arm's length transactions with other residential homes.

Mrs Michele Corkey is a Board Member of Ulster Supported Employment Ltd. The value of transactions between related parties was: Ulster Supported Employment Ltd invoiced Southern HSC Trust £44,750 (2024-25: £10,323) in respect of employee costs. Balance outstanding to Ulster Supported Employment Ltd at year end was £nil (2024-25: £341). The Southern HSC Trust charged Ulster Supported Employment Ltd £44,540 (2024-25: £15,115) in respect of staff costs. Balance outstanding at year end due to Southern HSC Trust was £8,684 (2024-25: £15,115). Mrs Corkey had no involvement in the procurement of this contract.

## NOTE 19 (continued) RELATED PARTY TRANSACTIONS

Mrs Michele Corkey is also a member of the Governing Body for Belfast Metropolitan College. The value of transactions between related parties was £5,268 (2024-25: £nil) in respect of staff tuition fees. Balance outstanding at year end was £nil.

The Southern HSC Trust Charitable Trust Funds have made revenue and capital payments to the Southern HSC Trust where the Trustees are also members of the Southern HSC Trust Board. In 2025-26, the Southern HSC Trust Charitable Trust Funds paid £576,158 (2024-25: £292,415) to the Southern HSC Trust and owed £282,828 (2024-25: £419,706) to the Southern HSC Trust as at 31 March 2026. The Southern HSC Trust Charitable Trust Funds received £nil (2024-25: £nil) from the Southern HSC Trust during 2025-26 and was owed £nil (2024-25: £nil) from the Southern HSC Trust.

## NOTE 20 THIRD PARTY ASSETS

The Southern HSC Trust held £14,116k cash at bank, cash in hand and investments at 31 March 2026 (31 March 2025: £13,042k) which relates to monies held by the Southern HSC Trust on behalf of patients. This has been excluded from the cash at bank and in hand figure reported in the accounts. A separate audited account of these monies is maintained by the Southern HSC Trust at pages 201-206.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

## NOTE 21 FINANCIAL PERFORMANCE TARGETS

### NOTE 21.1 Revenue Resource Limit

The Southern HSC Trust is given a Revenue Resource Limit (RRL) which it is not permitted to overspend. The Southern HSC Trust is required to ensure that it breaks even on an annual basis by containing its net expenditure to within 0.25% of the final agreed RRL limits or £20k whichever is the greater.

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

| | 2026 Total £000s | 2025 Total £000s |
|---|---|---|
| DoH – Strategic Planning and Performance Group | 1,130,174 | 1,054,750 |
| Public Health Agency | 8,683 | 9,123 |
| Northern Ireland Medical and Dental Training Agency | 8,213 | 6,757 |
| SUMDE | 3,305 | 3,374 |
| **Total** | **1,150,375** | **1,074,004** |
| **Revenue Resource Limit Expenditure** | | |
| Net Expenditure per SoCNE | 1,209,582 | 1,164,739 |
| **Adjustments** | | |
| Research and Development under ESA10 | (1,368) | (723) |
| Depreciation | (24,283) | (28,063) |
| Amortisation | (3,344) | (3,696) |
| Impairments | 3,780 | 14,581 |
| Notional Charges | (125) | (120) |
| Movements in Provisions | (34,186) | (72,914) |
| Income received re Donations / Government Grant / Lottery Funding for non-Current Assets | 142 | 94 |
| **Total Adjustments** | **(59,384)** | **(90,841)** |
| **Net Expenditure Funded from RRL** | **1,150,198** | **1,073,898** |
| Surplus against RRL | 177 | 106 |
| Surplus as percentage of RRL | 0.02% | 0.01% |

For non-cash expenditure the Southern HSC Trust has remained within the budget control limit it was issued for 2025-26.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

### NOTE 21.2 Financial Performance Targets less deficit funding

For the year ended 31 March 2026 the Southern HSC Trust received £21.19m non-recurrent funding from the Department of Health to address the deficit that would otherwise have occurred.

| | 2026 £000s | 2025 £000s |
|---|---|---|
| Revenue Resource Limit (RRL) | 1,150,375 | 1,074,004 |
| Less deficit funding received | (21,191) | (37,600) |
| | **1,129,184** | **1,036,404** |
| Net Expenditure Funded from RRL | 1,150,198 | 1,073,898 |
| (Deficit) against RRL | **(21,014)** | **(37,494)** |

### NOTE 21.3 Capital Resource Limit

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

| | 2026 Total £000s | 2025 Total £000s |
|---|---|---|
| **CRL Allocated From:** | | |
| Department of Health – Investment Directorate | 27,692 | 36,558 |
| **Total CRL received** | **27,692** | **36,558** |
| **Capital Resource Limit Expenditure** | | |
| Capital expenditure per additions in asset notes | 26,835 | 35,875 |
| Charitable trust fund capital expenditure | (142) | (94) |
| Net Book Value of disposals | (382) | - |
| **Adjustments to add items not capitalised in accounts (i.e. expensed through SoCNE) but funded via CRL** | | |
| Adjustment for R&D under ESA10 | 1,368 | 723 |
| **Other** | | |
| Prepayment for Capital Scheme | | - |
| Release of Prior Year Prepayment of Capital Scheme | | (106) |
| **Net Capital Expenditure Funded from CRL** | **27,679** | **36,398** |
| **Underspend against CRL** | **13** | **160** |

## NOTE 22 POST BALANCE SHEET EVENTS

There are no post balance sheet events having a material impact on the financial statements.

## AUTHORISATION FOR ISSUE

The Accounting Officer authorised these financial statements for issue on 29 June 2026.

# ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

## YEAR ENDED 31 MARCH 2026

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

## YEAR ENDED 31 MARCH 2026

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

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

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

# ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

# YEAR ENDED 31 MARCH 2026

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

### Opinion on account

I certify that I have audited the Southern Health and Social Care Trust's account of monies held on behalf of patients and residents for the year ended 31 March 2026 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 2026 and balances held at that date; and
- the account has been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health directions issued thereunder.

### Opinion on regularity

In my opinion, in all material respects the financial transactions recorded in the account statements conform to the authorities which govern them.

### Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the account section of my certificate.

My staff and I are independent of the Southern Health and Social Care Trust in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Revised Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

### Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Southern Health and Social Care Trust's use of the going concern basis of accounting in the preparation of the financial statements for the monies held on behalf of the patients and residents is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Southern Health and Social Care Trust 's monies held on behalf of the patients and residents ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

**Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the account is not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit.

**Responsibilities of the Trust for the account**

As explained more fully in the Statement of Trust's Responsibilities in relation to patients'/residents' monies, the Trust is responsible for:

- maintaining proper accounting records;
- the preparation of the account in accordance with the applicable financial reporting framework and for being satisfied that they properly present the receipts and payments of the monies held on behalf of the patients and residents;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and
- assessing the Southern Health and Social Care Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trust anticipates that the services provided by the Southern Health and Social Care Trust for the monies held on behalf of the patients and residents will not continue to be provided in the future.

**Auditor's responsibilities for the audit of the account**

My responsibility is to examine, certify and report on the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Southern Health and Social Care Trust through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Health and Personal Social Services (Northern Ireland) Order 1972, as amended;
- making enquires of management and those charged with governance on the Southern Health and Social Care Trust's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Southern Health and Social Care Trust's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud.
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and
- addressing the risk of fraud as a result of management override of controls by:
    - performing analytical procedures to identify unusual or unexpected relationships or movements;
    - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;

- assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
- investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the financial transactions recorded in the account conform to the authorities which govern them.

**Report**

I have no observations to make on these financial statements.

*Dorinnia Carville*

*Comptroller and Auditor General*

*Northern Ireland Audit Office*

*106 University Street*

*BELFAST*

*BT7 1EU*

*29 June 2026*

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

## YEAR ENDED 31 MARCH 2026

| Previous Year | RECEIPTS | | | |
|---|---|---|---|---|
| £ | Balance at 1 April 2025 | | £ | £ |
| 9,886,771 | 1. | Investments (at cost) | 10,430,297 | |
| 2,366,648 | 2. | Cash at Bank | 2,608,473 | |
| 3,905 | 3. | Cash in Hand | 3,282 | 13,042,052 |
| 12,257,324 | | | | |
| 3,704,062 | Amounts Received in the Year | | 4,146,063 | |
| 543,525 | Interest Received | | 402,791 | 4,548,854 |
| **16,504,911** | **TOTAL** | | | **17,590,906** |
| | **PAYMENTS** | | | |
| 3,462,859 | Amounts paid to or on Behalf of Patients/Residents | | | 3,475,366 |
| | Balance at 31 March 2026 | | | |
| 10,430,297 | 1. | Investments (at Cost) | 10,833,088 | |
| 2,608,473 | 2. | Cash in Bank | 3,278,794 | |
| 3,282 | 3. | Cash in Hand | 3,658 | 14,115,540 |
| 13,042,052 | | | | |
| **16,504,911** | **TOTAL** | | | **17,590,906** |

| Cost Price £ | Schedule of investments held at 31 March 2026 | Nominal Value £ | Cost Price £ |
|---|---|---|---|
| 10,430,297 | Bank of Ireland | 10,833,088 | 10,833,088 |

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

**Director of Finance:** **Date: 25 June 2026**

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

**Chief Executive:** **Date: 25 June 2026**