



South Eastern Health
and Social Care Trust



Annual Report & Accounts

2018 / 2019





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Annual Report and Accounts
For the year ended 31 March 2019

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South Eastern Health and Social Care Trust

Annual Report and Accounts

For the year ended 31 March 2019

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On

2 July 2019

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Chairman's Report

I am privileged to be Chair of the South Eastern Health and Social Care Trust and to be presenting its annual report. The Trust continued to emphasise **Safety**, (High) **Quality** and (Good) **Experience** in all the care and services it offered to people of Northern Ireland. These include:

- Hospital services like maternity and emergency care to over 400,000 people
- Mental health care in Trust premises and in the community
- Health care to prisoners in all Northern Ireland prisons
- Personal social care in care homes and at home
- Care of about 500 'looked after' children.

These were delivered within the money government gave us and towards realising the policy objectives of the Northern Ireland Executive. I thank the Department of Health and its staff for their support.

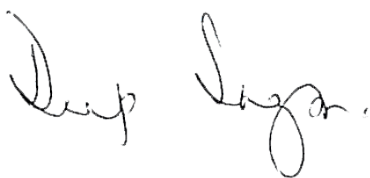
Of course, like any organisation we can be better. So I welcome **feedback** and would encourage you to contact the Trust to tell us what you would like improved and how.

Most important in all this has been the 10,000 **staff** of the Trust including nurses, doctors, social workers, and support staff. I thank them for their unfailing commitment to patients and the community. The Chairman's Awards try to an extent to recognise their contribution: congratulations to all who won including The Carer's Conversation Project, which won the overall prize.

I would also highlight two other features of the Trust. First, **volunteers**. 535 active volunteers have helped make the Trust a caring place. I thank them and welcome others in the community to get involved. A successful volunteer for us is one who gives and gets something valuable like skills or relationships in return.

The second feature to highlight is the Trust's charity, **Kiwoko Hospital** in Uganda. That hospital gained from money raised by our staff and well-wishers, and by the skills of the Trust staff who helped in its work. I thank all who contributed and welcome others who would like to.

Last but not least, my appreciation to Colm McKenna, who chaired the Trust for 11 years, Laura O'Neill, Non-Executive Director who left in the year, Hugh McCaughey, Chief Executive who left after 10 years, and all Non-Executive Directors and Executive Directors who make the Trust such a fulfilling place. As the new Chair, I look forward to learning from all of them, staff, patients and the community in the new year and to observing care and services in different settings.



Deep Sagar



Chief Executive's Report

Transforming our services so they are sustainable into the future has been the key phrase in health during this past year. Our staff, in hospitals and in the community, have been working on a raft of projects to ease patient flow through the hospital and expedite discharge home, to create hubs to treat patients without admission and to enhance the care which can be given at home. This excellent and innovative work is taking place against a continuing background of relentless pressure and I would like to thank our staff for their commitment and dedication, and express the hope that these transformation projects will start to ease the very difficult circumstances under which they work.

It was pleasing to see our staff honoured when Ards and North Down Borough Council decided to confer the Freedom of the Borough on all Health and Social Care staff, in recognition of the work they do. It is the highest accolade the Council can bestow and the first time it has been awarded in the history of the new Council. Staff from all parts of the Trust attended a ceremony in the walled garden of Bangor Castle on 1 September, and Hugh McCaughey accepted the honour on their behalf.

Our buildings continue to transform also. We are now well settled in to our new Inpatient Ward Block on the Ulster Hospital site, with the adjacent Acute Services Block progressing well. In October, we signed the contract for the new Lisburn Primary and Community Care Centre which will bring together GPs and community care services, and work has begun on the site at Lagan Valley Hospital. Whilst the quality of our services will be determined by what our staff do, these new buildings should support us in providing improved care environments.

We have had to say a number of farewells in recent months. Hugh McCaughey, who has been Chief Executive of this Trust since 2009 has taken on the new role of National Director of NHS England and NHS Improvement. He has made quality and safety a key strategy during his time here, and it is an honour that he can now take the quality improvement journey from this Trust to a national level. Our SQE Programme, which we are determined to continue and develop, has become a key Trust priority due to a large degree to Hugh's leadership.

I would also like to pay tribute to Brendan Whittle, our former Director of Children's Services and Executive Director of Social Work who has left to take up a position at the Health and Social Care Board. Brendan has served as a Director in the Trust since June 2012, initially as Director of Adult Services and Prison Healthcare, and I would like to thank him for his significant and valued contribution, and to wish him well for the future.

I welcome our new Chairman, Deep Sagar to the Trust. We look forward to working with Deep into the future. I want to pay tribute to Colm McKenna our previous chairman for his 11 years of leadership to Trust Board and the Trust generally.

Finally, I would like to thank all our staff, in all areas, for their continued commitment to deliver high quality compassionate care, in an often challenging environment.



Neil Guckian



Performance Overview

Hospital Services



Diane Keown, Assistant Director of Surgery retired from the Trust on 29 June 2018 after a long and distinguished career in the health service of nearly 38 years. The Directorate welcomed Maggie Parks, Clinical Manager for Surgical Specialties as the new Assistant Director for Surgery in June 2019.

Diane Keown (Assistant Director, Surgery) and Seamus McGoran (Director of Hospital Services)

Projects:

Oncology Transformation Programme Board

In February 2018, the Transformation Implementation Group (TIG) approved the establishment of a Cancer Services work stream to lead on the development of a sustainable model to support the delivery of regional cancer services. The approach utilised Quality Improvement (QI) and Implementation Science Methodologies to prototype and test new models or pathways of care and workforce arrangements to provide for continuous improvement in service delivery.

Within the Trust we are currently testing the following prototypes:

1. Development of an Acute Oncology Ambulatory Hub
2. Non-Medical Prescribing for systemic anticancer treatment
3. Flattening of peaks and troughs within the delivery of chemotherapy through the introduction of a two stop model.

The Home for 1 o'clock QI project - Ward 5c

The Home for 1 o'clock QI project was a multidisciplinary team approach to improving the number of appropriate patients to be discharged home before 1.00pm. Consultant Surgeon, nursing staff, AHP's and Social Worker working together to identify appropriate patients for an earlier discharge and ensuring all actions are completed to provide a safe discharge.

Falls Initiative

The Falls Initiative Project worked to improve the compliance in completing risk assessments and actions required following a fall to enable a more detailed review of the incident. *The Prevention of Falls and Essential Care After a fall for all patients and clients in the South Eastern HSC Trust Policy* was reviewed and the information organised in short lists on labels for adding to nursing notes to act as an aide-memoire for staff.

Sepsis Recognition and Treatment Project

The Sepsis Recognition and Treatment Project explored current practice and developing care of patients with sepsis. Ward 5b has been selected as a pilot area by the PHA Safety Forum for their work on improving sepsis recognition and treatment.

Performance Overview

Hospital Services



Chronic Pain Workshop

The Chronic Pain Workshop in January 2019 brought together various stakeholders such as Physiotherapy, Psychology, Clinical and Nursing professionals in both secondary care and primary care to facilitate planning

the future direction of chronic pain services across the Trust. The services aspire to continue to develop partnership working; delivering patient focused and responsive Chronic Pain services.

#End PJ paralysis Project

Ward 4B staff were involved in #EndPJparalysis pilot from April 2018 to June 2018. This was a 70 day nationwide challenge which promoted patients wearing their own clothes whilst in hospital. The ultimate aim of patients wearing their own clothes was to enhance their wellbeing by reducing their perception of being unwell, improving mobility, decreasing length of hospital stay and finally increasing chances of returning to their own home environment. All staff embraced this project, which has become part of the ward ethos.

Service Development:

Regional Sarcoma and Thyroid MDT

A regional Sarcoma Multidisciplinary Meeting was developed following Peer Review recommendations that there should be a single MDT for the region. This enables:

- A clear referral process and pathway for all sarcoma patients across the region, to include patients with retroperitoneal sarcomas
- Discussion of all sarcoma patients to include recurrences
- Better co-ordination of treatment and follow-up across site specific specialties
- Address concerns about oncology and pathology cross cover.

The MDM has been operational since September 2018.

Sentinel Lymph Node Biopsy Melanoma

Sentinel Lymph Node Biopsy (SLNB) is a specialized procedure carried out to determine whether any melanoma cells have spread to the sentinel nodes. If the melanoma has spread, it will usually spread to the lymph nodes nearest the area of the primary melanoma; SLNB is considered best practice and associated with improved survival rates.

Currently SLNB Melanoma is not available in Northern Ireland however in February 2019 the Plastic Surgery team supported by Surgery Scheduler team began managing these patients to facilitate access to SLNB melanoma. Interim arrangements involve patients travelling to external providers with a future plan to provide the complete SLNB service in the Trust.

Performance Overview

Hospital Services

Urology Trans Perineal Service Implementation in Ulster DPU

The introduction of the Urology Trans Perineal Service implemented in December 2018 facilitates cutting edge prostate cancer diagnostics to men in Northern Ireland. The Urology team gained training and mentorship from London Bridge Hospital. Trans Perineal Biopsies are currently being carried out under general anaesthetic with the anticipation of a move to local anaesthetic procedures in time.

Elective Care Centres Downe Hospital & Lagan Valley Hospital

Downe and Lagan Valley Hospitals have been selected as new Regional Assessment and Surgical Centre prototypes, serving patients from across Northern Ireland.

The Downe Hospital DPU is now one of three Elective Care Centre prototypes delivering routine day surgery for cataracts for patients across the region; and Lagan Valley Hospital DPU commenced treatment of varicose veins along with another centre in the region. In addition, the Downe Hospital is poised to develop and expand Ophthalmology outpatient pre-assessment and routine day surgery for cataracts while the Lagan Valley Hospital will provide a routine outpatient and day surgery Hub for the treatment of varicose veins.

MacDermott Unit Move



To facilitate the expansion of the Emergency Department, the MacDermott Unit moved on a temporary basis to wards 11 and 12 in December 2018. A bespoke cancer unit is currently in the development phase.

Performance Overview

Hospital Services

Peer Review Acute Oncology

The Acute Oncology Service participated in the National Cancer Peer Review Programme in 2018. The programme provides important information about the quality of clinical teams and a regional benchmark of cancer services across Northern Ireland. It aims to improve care for people with cancer and their families by:

- Ensuring services are as safe as possible
- Improving the quality and effectiveness of care
- Improving the patient and carer experience
- Undertaking independent, fair reviews of services
- Providing development and learning for all involved; encouraging the dissemination of good practice.

Recognition and Awards

RQIA Visit Radiology

RQIA inspection of the diagnostic imaging department at the Ulster Hospital, February 2019.

Informal feedback was provided by the inspection team at the end of the visit. Staff were commended for their open and honest culture and it was noted that radiographers had a good understanding of the Employer's Procedures (EPs). However, in summary minor improvement to the EPs are required.



Dr Catherine McConville Radiology Registrar won British Society of Gastrointestinal and Abdominal Radiology prize for her poster on the experience of the rectal cancer watch and wait program for CT/MRI patients in the Trust.



Radiology Regional Programme for the introduction of the Imaging Services Accreditation Scheme (ISAS) in Northern Ireland won the Health and Social Care (HSC) Leadership award for Leadership and Culture at the 2018 Advancing Healthcare Awards.

Performance Overview

Hospital Services



Critical Care Outreach Winner - Safety Forum Innovation and Transformation Category Award (2018)

Critical Care Outreach Regional Safety Forum Award Overall winner (2018)

Critical Care Outreach SQE Finalist (2018)

Critical Care Outreach Winner - Safety quality experience category for Chairman's recognition award (2018)

Critical Care Outreach Winner- Safety Forum Building Reliable Care Award (2018)

Critical Care Outreach Winner of Best Visiting Team AMU Awards (2019)

Ambulatory Care

This year has seen the continuing development of ambulatory care services across our hospital sites.

On the Lagan Valley site, the ambulatory cardiology centre is now able to provide rapid assessment and treatment for patients presenting with a range of cardiology conditions. The service also offers on site treatment through ambulatory diuretics and access to a wide range of cardiac investigations which now includes stress echocardiography.

The Elderly Care team in Lagan Valley is expanding its Frailty Service with a Rapid Assessment Centre which provides opportunities for admission avoidance through the completion of an individualised person centred multi-professional comprehensive geriatric assessment.

In the Ulster Hospital, we have built on the success of the Respiratory and Gastroenterology Hubs and established a Cardiac Centre which provides alternative pathways to admission for patients through early access to specialist assessment, diagnostics and treatments.

The Diabetes Centre opened at the Ulster Hospital in May 2018 and is providing both inpatient and outpatient diabetes care and advice. It has improved the pathway for patients newly diagnosed with diabetes and those currently living with diabetes; this has been achieved by providing early access to the multi-professional diabetes specialist team. Additionally by co-locating services, the Diabetes Centre has improved the patient experience by enabling them to have dedicated care in the one facility and preventing the need for multiple appointments.

With the development of a number of ambulatory schemes it is hoped to develop effective networks including closer working relationships with community and primary care to provide an alternative to an inpatient stay for a number of patients.

Across all of our hubs, while we know they have a positive impact on unscheduled care pressures and admission avoidance, most importantly they improve the patient experience and outcome.

Performance Overview

Hospital Services

Maternity Services

The Team has further rolled out the *“Getting Ready for Baby”* (GRFB) programme across the Trust - in the Ulster Hospital, Lagan Valley Hospital and Downe Hospital. The programme combines antenatal healthcare assessment as well as group education on issues such as attachment and positive infant mental health.

The Ulster Hospital Team has introduced Outpatient Induction of Labour. This enables pregnant mothers to begin their labour in the Unit before returning to the comfort of their home. Later, they attend the Unit to give birth. This is the first example of such work in Northern Ireland.

Pharmacy Services

The Trust Medicines Optimisation in Older People (MOOP) Team consists of a Consultant Pharmacist, an Intermediate Care Pharmacist and a Clinical Technician. The Team undertakes medicines optimisation reviews for patients at home or in care homes. The Team was awarded Hospital Pharmacy Team of the Year at the NI Healthcare Awards in the Europa Hotel, Belfast earlier this year.



Pharmacy Technicians working on Level 3, Ward 16 and the Medical Assessment Unit in the Ulster Hospital continue to work with the Multidisciplinary Team to better manage medicine usage and efficiently dispense prescriptions to patients before discharge. Typically, over 100 prescriptions are completed every month at ward level, thereby facilitating improved patient flow.

Acute Paediatrics



The Paediatric Team continues to provide a range of services - both Inpatient and Outpatient - to children and their families across the Trust.

In the Neonatal Unit, the Team has further embedded the ‘Parents in Partnership’ programme. Parents are supported to undertake temperature monitoring and feeding. They are also actively involved in handover at their baby’s cot side. The programme, led by Staff Nurse Sarah Moore (pictured opposite), was awarded 2nd place in the Trust SQE Final Event and ‘Best Poster’ in the Annual NI Neonatal Nurses’ Conference.

Performance Overview

Hospital Services

Laboratory Services

In 2017/18, the Team received over 1 million samples, generating over 5.5 million test results. The Team also achieved and maintained UKAS Accreditation in all disciplines - Microbiology, Biochemistry and Haematology.

In May 2018 was highly commended as a placement employer in the Public Sector Category at the University of Ulster Impact Excellence Awards.

The Team have introduced faecal calprotectin testing for patients across NI who are suspected of having Irritable Bowel Syndrome or Inflammatory Bowel Disease - disorders which cause frequent bowel disturbance, bloating and abdominal pain. The testing helps to inform diagnosis, and reduces the likelihood of some patients requiring endoscopy.

Unscheduled Care

In August 2018, the Trust opened the Transitional Care Unit in the Ulster Hospital. The Unit is designed for patients who are 'medically fit' and therefore do not require an Adult Acute Inpatient bed before discharge. The Unit is focused on preparing patients for the next stage of their journey by providing ongoing Allied Health Professional interventions as well as diversional therapy. The Unit is now fully open with 26 beds.

The Transitional Care Unit is co-located with our Discharge Lounge where patients are transferred to before discharge. The Discharge Lounge is open Monday - Friday, 8.00am to 8.00pm and has capacity for up to 30 patients each day.



Performance Overview

Nursing, Primary Care & Older People

Recruitment

The past year has seen an increase in the number of recruitment engagement events attended within Northern Ireland and across the UK as part of a regional approach. Within the Trust there has been an increase in the use of social media and the creation of video logs which has resulted in raising the profile of a range of service areas. An example of this has been the recent recruitment campaign for Acute Women's Services.



International Nurse Recruitment success

Recruitment of staff remains a key priority for the Trust. From 1 April 2018 to 31 March 2019, the Trust has had 20 international nurses achieve success at OSCE (Objective Structured Clinical Examination) and these staff are now employed as Registered Nurses. This brings the Trust to a total of 37 international nurses recruited and successfully supported to pass OSCEs with a 100% pass rate on the first attempt from mid 2018. This success has been realised due to the hard work and dedication of clinical educators, (pictured celebrating with a group of international nurses), and supported by the Practice Education, Infection Prevention Control and Nursing Workforce Team members.



Nursing Assistant Induction & Vocational Qualifications



During the year 2018/19, 89 Nursing Assistants and Senior Nursing Assistants have undertaken the 5 day Induction Training Programme, 44 have been registered to undertake the ProQual Level 2/3 Certificate in Healthcare & Social Care Support

and 14 have completed this qualification and received their Certificates to date. They are ably supported by dedicated Registered Nurses who act as Work-Based Assessors and Internal Quality Assurers to ensure success.

Performance Overview

Nursing, Primary Care & Older People

Practice Education Team strives to support future nursing workforce

The Practice Education Team support pre-registration nursing & midwifery students across a wide range of practice placement areas to ensure a future workforce, fit for purpose and practice at the point of registration. The Trust currently have capacity to accommodate over 363 pre-registration students at any one time across 150 approved practice areas, an increase of approximately 63 places in the last year. Within this number are 68 of our own staff from across a wide range of health related roles within the Trust who are undertaking the Open University 'Pre Registration' BSc (Hons) programme with a further 49 applicants this year for the September 2019 OU Cohort. To further support the Trust to increase their student capacity, the Practice Education Team in partnership with ward managers / team leaders continue to scope and develop new areas for both pre and post registration students.



Open University Induction September 2018



South Eastern HSC Trust recognised at national award ceremony

The Trust has been praised for its implementation of a rostering system which was tailored to meet the needs of different staff groups and ensured all staff had access to the benefits of the system, gaining national recognition at the prestigious Allocate Awards 2018. The team was presented with the highly commended award in the whole workforce models category. Allocate Software created the awards to recognise excellence delivered across the healthcare sector, to make a difference for patients and staff.

Safe and Effective Care Department

In addition to supporting quality improvement capability building through Trust training programmes: SQE programmes and QI Fellowship, in 2018 we co-ordinated and implemented the first regional Nursing and Social Work Programme. This programme provides a unique opportunity for social work and nursing in Northern Ireland to lead improvement focused practice across the region using a set of techniques based on improvement and implementation science.

Each participant undertakes a quality improvement project within the timeframe of the programme enabling them to directly apply the new knowledge and skills acquired in practice as the programme progresses. The success in 2018 has paved the way for 2019 where 22 nursing and 21 participants are currently completing the 9 month programme.

Performance Overview

Nursing, Primary Care & Older People



Nursing delegates and mentors and professional leads, 2018

The Safe and Effective Care Department also supported the IHI Improvement Advisor Programme, a Professional Development Programme. This richly-packed, ten month programme is an 'all teach, all learn' experience that offers:

- The advanced knowledge and skills you need to excel in the art and science of improvement
- Instruction on how to use a framework comprising practical skills and theory to drive whole system changes
- A collaborative learning environment and actionable ideas that will help you achieve maximum results.

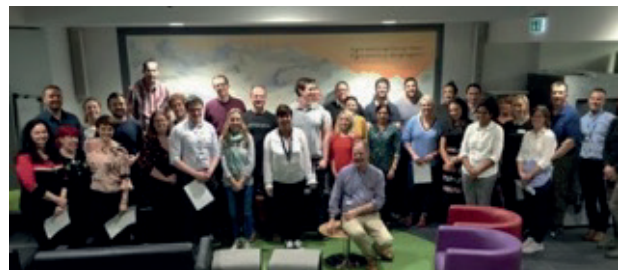
The department continues to provide strong professional governance to support safe, effective and patient centred care through implementation of evidence practice and improvements guided by: NICE guidelines, Safety Alerts and Audit and Patient feedback. In 2018 the Safe and Effective Care Department were delighted to welcome the Resuscitation Team under their management.

Resuscitation Services

e-ALS Recertification Course

The first ALS Recertification course in Northern Ireland was held in the QIIC in the Ulster Hospital in March 2019. This was noted to be a great success!

Candidates travelled from England and the Orkney Isles to attend the course! We plan to run another at the end of the year.



Leading in improvement, the Resuscitation Team have made plans to pilot 'Vocera' as a new method of alerting the crash team (Ulster Hospital) in the event of a cardiac arrest. This will take place April / May 2019. It is anticipated that Vocera will replace the current multi tone bleep system.

Performance Overview

Nursing, Primary Care & Older People

Primary Care

Multi-Disciplinary Teams (MDTs) in Primary Care

A new era in health and social care in Northern Ireland is an important step closer, with the initial stages of a major transformation initiative underway. It has been decided that the South Eastern Health and Social Care Trust and Down GP Federation will be the first, along with the Western Health and Social Care Trust and GP Federation in Derry / Londonderry, to benefit from new MDTs in GP practices.



Meet the team, Down Federation MDT First Contact Physiotherapy Team

MDTs involve the establishment of practice-based First Contact Physiotherapists, Mental Health Practitioners and Social Workers within GP practices - working alongside Doctors, Nurses and Pharmacists to meet the needs of the local population. This model includes investment to also expand health visiting and district nursing teams.

This MDT is a key example of health and social care transformation, helping provide more care closer to people's homes and improving access times. Evidence indicates this approach will see patient issues resolved more quickly, for instance by reducing the need for referrals and appointments elsewhere. This will also ease demand pressures on hospitals.

The approach will also see practice teams supported to identify opportunities for early intervention. Patients will be supported in managing long-term conditions and dealing with lifestyle issues which can impact on their health.



Anne-Marie Dooley (MDT Social Work Lead) with Dr Ultan Magill

be shared over the coming months.

Health and Social Care Trusts are working with GP Federations to recruit for these new roles, with the new services expected to become available over the coming months. In the Down area - First Contact Physiotherapists began working within GP practices in January 2019. The Social Work team will commence shortly. The benefits and outcomes for patients will

First Contact Physiotherapy Service

If you have a soft tissue, muscle or joint problem

Hip Pain **Neck Pain** **Knee Pain**

Shoulder Pain **Back Pain** **Ankle Pain**

Ask at reception for an appointment with the First Contact Physiotherapist (FCP).

If you are acutely unwell please ask to see the GP or another healthcare professional.

Performance Overview

Nursing, Primary Care & Older People



Enhanced Care at Home

The Enhanced Care at Home service has been extended to Down and Lisburn areas over the 2018/19 year. The Enhanced Care at Home Team were finalists in the 2018 Chairman's Awards.

District Nursing 10,000 more Voices



The District Nursing Service gives a voice to patients, carers and staff. In order to achieve the objectives set out in the District Nursing Framework 2018 - 2028, district nursing teams must be innovative and seek to continually improve services. Critical to this is feedback from staff, patients and carers. In this vein, the Trust District Nursing Team undertook a 10,000 more voices project to seek the feedback required to enable us to keep the patient and what matters to them at the centre of what we do. The project has offered an insight into the views of patients and staff. Their stories provide a rich source of information, helping us to identify 'what matters' to

people in their experience. They provide a reflection of how the service is delivered today, while generating ideas for how we can improve our service going forward. 97% of service users rated their experience of the district nursing service as strongly positive / positive and 100% would recommend the service to family and friends.

Mental Health Services for Older People



The Dementia Companion prototype and the Dementia Navigator Service went from strength to strength in 2018 with both teams being finalists in the Chairman's Recognition Awards!

The success of the Dementia Companions programme in the Trust was no doubt influential to the decision by the Delivering Social Change Dementia Programme to make the positions permanent across all the Trusts. The Trust will also be able to make the valuable Dementia Navigator services permanent and also introduce two new Service Improvement Leads for Dementia across the Acute and Community areas. This is a fabulous opportunity to consolidate and further develop the progress that has been made within the Dementia care provision, supports and services.

Performance Overview

Nursing, Primary Care & Older People



Mental Health Mentor of the Year Award 2018

Dawn McCullough, Community Psychiatric Nurse in Ards Mental Health Service Outpatient Community Team won the 'Mental Health Mentor of the Year Award 2018'.

Natalie Gregory (left) and Dawn McCullough attending the awards ceremony

Older People

Domiciliary Care staff - During 2018/19 the Directorate held well attended engagement sessions for Domiciliary staff. These sessions enabled staff to hear about changes to the team, to learn about outcomes through sharing Outcomes Based Accountability report card and to discuss the reform of domiciliary care proposal involving a completely new model of care and support at home through self-managing teams.

Supported Living

A team (Staff and Tenant) from **Cuan Court** presented at Regional QI in Social Work & Social Care Dragons Den seeking support for their project to open a reminiscence themed candy shop at Cuan Court and were joint winners with a team from Southern HSC Trust. Their project focused on Co-Production with tenants and a local community group who were heavily involved in the planning of the shop. The project promoted intergenerational working with children from the nursery coming to use the shop with the tenants. The opening of the shop took place on Tuesday 5 March 2019.



Permanent Placement Team

Within the Trust area it is anticipated that by 2019 we will see an increase of 32% in people over the age of 65 and those over 85 to increase by 45%. This ageing population coupled with those who have chronic conditions and co morbidities will result in an increase in residents within Nursing & Residential home sector with a high level of complex needs. Currently within the Trust we commission services from 40 nursing homes and 37 residential care and 13 dual registered facilities. These facilities are located across the Trust boundaries and provide services both to the citizens from the Trust and also to individuals from other Trusts.



Within this year we have seen the establishment of the Permanent Placement team. This team's role and function is to in-reach into the Trust Care home sector to support residents and to work in partnership with the providers of care. The team consists of Clinical Nurse Facilitators (CNFs) and Key Workers. In November the Trust and the PHA jointly hosted an engagement event with our care home providers.

Performance Overview

Nursing, Primary Care & Older People

Allied Health Professionals

Allied Health Professions continue to play a key role in transformation of services. Therapy Led Clinics are in place for AHP Plastics Hand Therapy, Speech and Language Therapy, ENT Voice Service and Respiratory Multi Disciplinary Team Ambulatory Hub. In addition Dietetic Led Clinics have developed in Gastroenterology.

Dietetic Led IBS Pathway



Irritable Bowel Syndrome (IBS) is a common, long-term condition of the digestive system. A new regional pathway for management of IBS has been developed in the last 12 months aimed to reform referrals. The management path changed from Consultant referral to one that is Dietitian Led, with referral to consultant only for patients who remain with outstanding clinical concerns at the end of Clinical Specialist Dietetic intervention. Patients were identified from the gastroenterology new patient waiting list supervised by Dr Tony Tham. Those patients who were accepted to the dietetic led intervention were offered an initial and review appointments

with the Dietitian. From the referrals triaged and assessed, 91% met their dietetic outcomes.

NI Advancing Healthcare Awards 2018

Physiotherapy

Physiotherapy services were successful across several clinical areas at the NI Advancing Healthcare awards held in La Mon Hotel on 7 November 2018. During the conference Aveen McCraith, Physiotherapy Lead presented with Vicki Quin, Physiotherapy Consultant from the Western HSC Trust on the findings of the First Contact Physiotherapy (FCP) Initiative. Leanne Holmes and Joanne Shannon from ICATS service were shortlisted for their ESCAPE Pain project. Pippa McCabe was also shortlisted for her work on simple leg oedema - The PHA award for building capacity in communities and prevention. Roisin Rooney and Louis Kerr from Pelvic Health had their poster on Pelvic Health shortlisted. Cailin Hynes & Stephen McGarrigle were the winners in the Enhancing Support in Primary Care category with the FCP pilot in Comber.



Speech and Language Therapy - Help Kids Talk initiative in Lisburn and Coln

Speech and Language Therapy won the PHA Award for building capacity in communities and prevention at the Advancing Health Care Awards. The Help Kids Talk initiative has also been nominated for the Mayor's Community Award in Lisburn and Castlereagh Council.

Performance Overview

Adult Services & Prison Health

Prison Healthcare

Improving Prison Healthcare services was a key focus in 2018 with significant developments in all areas. The CJINI / RQIA inspection report regarding HMP Maghaberry 2018 described changes as 'transformational'. The Royal College of Psychiatrists Quality Network for Prison Mental Health Services Review HMP Maghaberry stated that: *"The team were observed as resilient and cohesive despite the current limited staff and ongoing vacancies. It was clear that staff are passionate about the quality of care they deliver and that patients are at the centre of what they do."* Prison Healthcare was successful in securing funding for six transformation projects and training in mental health was offered to all staff working in the Prison environment, has occurred with positive feedback.

Prison Healthcare was recognised in eight different local, regional and national awards.

Park Run is now established in HMP Magilligan and some Prison Healthcare 'athletes' (below) joined in as part of Men's Health Week 2018. This is the first time in the UK that there has been a park run inside a prison.



Mental Health Services

The introduction of a Multi-Agency Street Triage Team in the Trust allows mental health staff to work alongside dedicated Police Officers and Paramedics in a Mobile Community Unit, to provide individuals experiencing a mental health crisis with most appropriate care.



In 2018, the Mental Health Programme participated in the largest ever mental health benchmarking study in terms of contributor numbers and population coverage. This is the first year that the Trust has participated in this very successful programme.

A peer advocate is there to help patients on the ward to have their voice heard and give hope by being an example of recovery as someone who has been there. One of the most rewarding parts of volunteering as a peer advocate is getting to know people at their worst and seeing people on their journey of recovery and getting



Performance Overview

Adult Services & Prison Health

back to wellness. Patients have said they have learned so much from peer advocates and equally as a peer advocate, we learn so much from patients.

All the current peer advocates recently got involved in the co-production of the 'Peer Advocacy' course and have supported the delivery of it in the Recovery College.

Clinical Psychology and Psychological Therapies

Clinical Psychology and Psychological Therapy Services continue to deliver a range of evidence-based psychological therapies to clients across a broad range of Services. In the past year the Service has worked in partnership with the Regional Trauma Network and the Victims and Survivors Service to establish a local Trauma Service for people who have experienced troubles related trauma. The service has also worked with service users and carers to co-produce a comic book about the experience of having mental health difficulties and have co-developed and co-delivered a course for adults with autism in partnership with the Recovery College.



Adult Disability

This year Adult Disability and Mental Health Services have focused on listening to the carers who support loved ones, so that we in turn can support them. A project was undertaken involving carers and Trust staff to design a new way to have conversations with carers to ensure they felt listened to, valued and supported. The Carers Conversation Wheel Project won the overall award in this year's Chairmans' Recognitions Awards and was the winner in the category of Integrated Care Northern Ireland Safety Forum Awards.



A carer who was part of the improvement project told us - *"I felt like I was being brought from the outside in and that I was valued and listened to..... involvement with the group shows me that bottom up change works."*

Performance Overview

Children's Services & Social Work

Co-Production: The Local Engagement Partnership

In line with the Programme for Government and the Social Work Strategy the Trust has made a commitment to co-production as a way of making improvements, by working in partnership with the people who experience the services. A Local Engagement Partnership has been established bringing together service users, carers, social workers and their managers and Community / Voluntary Organisations. During Co-Production week in July 2018 the partnership launched an animation which



had been co-designed with Trust Staff, partner organisations and service users and carers. The animation can be viewed at <https://vimeo.com/293967354/5c0de42bbd> and has been shared on social media, staff forums and training events. A version with British Sign language has also been co-produced to ensure equality of access for the deaf community. The animation has proved to be successful in raising awareness of the value of co-production in improving services.



Social work Advocacy Team

The Social Work Advocacy Team was formed in September 2017, the group is made up of newly qualified Social Workers from each of the operational directorates across adult services and three Social Workers across children's services.

The purpose of the Social Work Advocacy Team is to improve connections between front line Social Workers and senior decision makers by engaging with, listening to and advocating for Social Workers to innovate and promote how we practice.

Performance Overview

Children's Services & Social Work

Quality Improvement in Social work

The Trust continues to lead the Regional Quality Improvement in Social Work programme in partnership with Nursing and Midwifery colleagues and last year included 23 Social Workers who successfully completed improvement initiatives. They were supported to develop their knowledge of quality improvement methodology and to apply their learning in practice. All improvement initiatives undertaken demonstrated better outcomes for service users.



Building on the success of last year the partnership with nursing colleagues continues and the '*Quality Improvement in Social Work, Nursing & Midwifery Programme*' commenced in February 2019 with 42 participants across the region engaged in quality improvement learning together.

A new development in social work is the establishment of a Quality Improvement Community of Practice which was launched on 27 November 2018. The person centred planning tool PATH (Planning Alternative Tomorrows with Hope) was used to plan the way ahead for social work and quality improvement in the Trust.

This community of practice aims to support practitioners to lead improvement in their area of work which will benefit service users, carers and families.



Health & Wellbeing

The Trust has developed a range of early intervention services to improve outcomes for patients and clients and to reduce demand for secondary care, whether in relation to hospital services, children's social work, mental health or older peoples services. These services include over 1,000 socially isolated older people receiving support through the Trust's Caring Communities Service, over 1,000 families supported via Family Support Hubs and over 500 patients at high risk of developing Type 2 Diabetes being helped to achieve a healthier lifestyle.

Performance Overview

Children's Services & Social Work

The P&PH Department has also worked with a range of partners to implement a number of staff wellbeing initiatives, such as Move More, Lose More, which has had more than 1,000 staff members sign up to this exciting initiative. Another highlight was the development of the LAC H.O.P.E (Holistic Outcomes through Positive Experiences) team which seeks to help the Trust undertake its corporate parenting responsibilities effectively. This has included developing a paired reading scheme for looked after children in P5 with QUB, called Reading Together. This team has also developed further LAC Apprenticeship opportunities in partnership with other Trust Departments, such as IT, Mental Health, Planning, Maternity, Learning Disability, Estates, Patient Experience etc. These Departments have demonstrated real leadership in providing paid apprenticeships for young people in the care of the Trust.

A new development in 2018/19 in the Early Years team relates to the Thrive service, which offers bespoke child care and parent mentoring for families involved with children's services. This service has demonstrated significant outcomes relating to speech and language development, behaviour management and reducing demand for care placements.

Children Safeguarding

This has been a very busy year for the Family Support and Safeguarding sub-directorate. The reform of structures that support the development of restorative and relationship based practices within children's services was embedded after a year of planning. In addition, the workforce was trained and supported in implementing Adverse Childhood Experiences assessments (ACEs) and interventions as part of the core work undertaken when Social Workers are supporting children and their families. In tandem with the introduction of ACEs, the sub-directorate has been implementing the Signs of Safety Practice Framework under the Transformational Programme. This is and will continue to be a significant task as the implementation will cover all staff within the Trust, key stakeholders and more importantly the children and families who use our services.

The sub-directorate also took part in the Regional Accelerated Access project and mobilised all of the staff working with children and families. The Post Project Evaluation report clearly demonstrated the benefits of having mobile devices in terms of recording, sharing and retrieving information, improving the quality of assessments, saving money and improving staff morale.

There were a number of significant challenges faced by the sub-directorate which included recruiting staff, stabilising the workforce and working around the IT system.

Child Health

The Trust's Child Health Teams continue to make a significant contribution to giving every child the best start in life.

The Health Visiting and School Nursing Service continues to deliver on the Healthy Child, Healthy Futures, Child Health Promotion Programme. The new Early Intervention Transformational Programme contact for 3 - 4 year old children and parents was extremely successful with 97% of the initial pilot site completed and will now expand across the Trust in 2019 - 2020.

Performance Overview

Children's Services & Social Work

The universal programme provides opportunity to identify families who are in need of additional support and children who are at risk of poorer outcomes including safeguarding children. Teams remain robustly supported by the Safeguarding Children Nurse Specialists and Looked After Children Nurses.

There is a renewed focus on the health visiting ante-natal contact to improve public health outcomes with an increased focus on identifying and responding to perinatal mental health illness with early intervention.

The School Nursing Team delivery of the school immunisation programme remains excellent including another successful flu and female HPV vaccination programme. The team will now deliver the HPV programme to all teenage boys in the in 2019 - 2020. In addition uptake of health appraisals for all Primary 1 and Year 8 pupils' remain excellent year on year.

The Trust's Infant Mental Health Strategy (September 2018) focuses on social and emotional development during the first three years of life. The Trust has been committed to early intervention and promotion of infant mental health across many services for a number of years.

The two established dedicated services within public health nursing work with vulnerable families, providing strength based approach and improving many critical outcomes, such as reducing childhood injury, neglect and abuse. The Family Nurse Partnership (FNP) and the New Parent Program (NPP) will continue to offer their enhanced service to children and their parents on the programme in 2019/ 20.

From October 2018 the new ABC PiP (Attachment, Bonding and Communication, Parent infant Partnership) multidisciplinary service has been developed through a strategic partnership between South Eastern Trust and Barnardo's NI. ABC PiP delivers structured and therapeutic interventions during pregnancy and for parents / carers and children aged 0-24 months. The aim is to strengthen relationships in the early years and to promote good infant mental health.

The service operates throughout the Trust area and offers a range of therapeutic support, including parent infant psychotherapy, both individually and in groups using both the Solihull and Five to Thrive approaches.

In the last year the Community Paediatric workforce was been under significant pressure and has worked hard to begin to redesign service delivery to meet the needs of the child population.

The Neurodevelopmental Team is now well established to provide assessment and intervention prior to diagnostic assessment, with the aim of meeting the needs of children, adolescents and families at the point of referral. This means that children and families are receiving intervention earlier than they would have in the past.

Regional Integrated Support in Education (RISE NI) Team has continued to improve its service and a redesign allows families access to individual intervention at a much younger age.

Performance Overview

Children's Services & Social Work

Children's Cared For Services

Children and Young People's Care Services have contributed to a number of reviews and action plans arising out of regional workshops during the course of the reporting period. These plans have been agreed for both residential and fostering services and set out a range of recommendations which will impact on the future service delivery in each of these areas.

Regionally the Fostering Heads of Service, in conjunction with HSCB and the Regional Fostering and Adoption Service, have completed a marketing and communications service evaluation. A regional project board has now been established to develop the fostering marketing and communication strategy for Northern Ireland. The inter-agency project board will progress the outcomes of the service evaluation.

A review has taken place in relation to the role and function of Family Centre services within the Trust. This has included learning from the regional Home on Time project which focuses on community based assessments. As a result of this review the Home on Time project will be incorporated into the core business of Family Centre services from 1 April 2019. Having considered the learning from the Home on Time project alongside the CSIB / HSCB regional review of Family Centre services, we plan to re-launch Family Centre services in April 2019 under the new title *'Family Assessment & Intervention Services'*. The service will be based on a community based assessment model.

Having come to the fruition of the five year Children and Young People's Plan with the successful delivery of the three supported accommodation projects, the Trust is committed to expanding the range and scope of appropriate placements for those young people who are hard to place given the complexity of their needs. The Trust, in collaboration with Belfast HSC Trust, is currently exploring the development of a responsive housing solution with bespoke 24 hour wraparound support for those young people who cannot be accommodated in fostering or residential care. The Trust has been instrumental in bringing forward a paper to the Department of Health to explore alternative placement provision and promote a more flexible approach to the development of alternative accommodation solutions.

The Review of Regional Facilities has concluded, the reform of regional facilities has commenced. An inter-departmental board has been established to take forward the recommendations.



Performance Overview

Medical

Clinical Risk

The Clinical Risk Director continues to work flexibly 20 hours each week. Situations requiring input are many and varied including adverse incidents, complaints and data breaches. Advice and support is offered to staff and working closely with the Medical Director, Associate Risk Director and Assistant Director Risk Management a consensus is reached in the more complex cases as to the best approach in dealing with each situation to provide robust investigation, honesty and transparency and learning to reduce the risk of recurrence.

During 2018/19 there has been two half day training sessions given by external experts in their field, open to all consultant staff, in 'Risk Assessing Incidents and Investigation Techniques' and two half days on 'Responding to Complaints'. This should help to equip consultants with appropriate skills should they be involved in an incident or complaint or be asked to be part of an investigation or review team for a Serious Adverse Incident Review. Twenty five to thirty consultants attended each of these sessions.

We continue to work closely with Directorate of Legal Services and the Coroner's Office. Support is offered to staff attending Coroners Inquests or Court for litigation cases and learning for the organization is carried forward based on Counsel Advices.

A 'Lessons from Litigation' newsletter is sent electronically to all permanent medical staff and all medical trainees working in the Trust at that time, based on cases where learning has been identified which can be relevant to others within the Trust.

We continue to work with the Safety and Quality Department and Multiprofessional Audit Department aiming to 'Close the Loop' and provide reassurance that recommendations coming from complaints and adverse incidents are actioned and result in improvement.

Challenges during the year and in the year ahead include work coming out of the Department of Health follow up on the Inquiry into Hyponatraemia Related Deaths in Northern Ireland . This will include changes to the Serious Adverse Incident Review process and an introduction of Duty of Candour as well as many other changes. It is embedded that all deaths in the Trust are reviewed through the Regional Morbidity and Mortality Review System but it remains a challenge to staff to identify what could have been done differently and learn from these reviews.

Performance Overview

Medical

Medical Appraisal and Revalidation

The Trust's Medical Director's Management Team continues to oversee quality control and medical appraisal processes in accordance with the requirements of the General Medical Council. Regular contact is maintained with the local GMC Employment Liaison Adviser and a formal meeting is held quarterly. In addition, the Trust Responsible Officer (RO) attends the regional and national RO Forums.

During the 2018 Appraisal round (covering the appraisal period January to December 2017), the number of doctors appraised by year end was 98%. While this figure is above the regional average, the Trust has been developing an 'Engagement Protocol' with a view to delivering 100% in future years. The Trust Revalidation recommendations were as follows:

Year	Number due to Revalidate	Number Revalidated	Number Deferred
2018	94	91	3*

The Trust appointed a new Associate Medical Director (AMD) in September 2018 with responsibility for Service and Governance Reform. The primary function of this role will be to provide the Medical Director's Team with clinical expertise on appraisal and revalidation and in particular enhancing the Trust's quality assurance processes. The post holder will also be tasked with developing workforce resilience for medical staff.

The Medical Director's portal within the Trust I-connect site is regularly updated to provide useful contacts, guidance documents and where appropriate links to external sites. A 'Frequently asked Questions' document, has recently been added. Specific guidance has also been developed to support both appraisers and appraisee's respectively, as well as those in Clinical Management positions.

In 2016, the Regulation & Quality Improvement Authority conducted a 'Review of Governance Arrangements in HSC Organisations that Support Professional Regulation'. A key recommendation of this review was that the Department of Health should work in partnership with the BSO ICT department to develop a centralised electronic system to support Appraisal and Revalidation.

The Department of Health and CMO have determined that from January 2019 the appraisal process will transfer to an electronic system.

Representatives from all Trusts, NIMDTA, the RQIA and the PHA have contributed to the development of the Regional Appraisal System (RASP). This system not only includes electronic versions of forms 1 to 7 but enables all supporting information to be uploaded and stored electronically. Development of the new system is completed. Ultimately this system will facilitate a more timely and efficient appraisal process, for both the appraisee and appraiser.

The Medical Director's Team has scheduled a series of training events for medical staff commencing February 2019. It is anticipated that full implementation will be completed by 2020.

Performance Overview

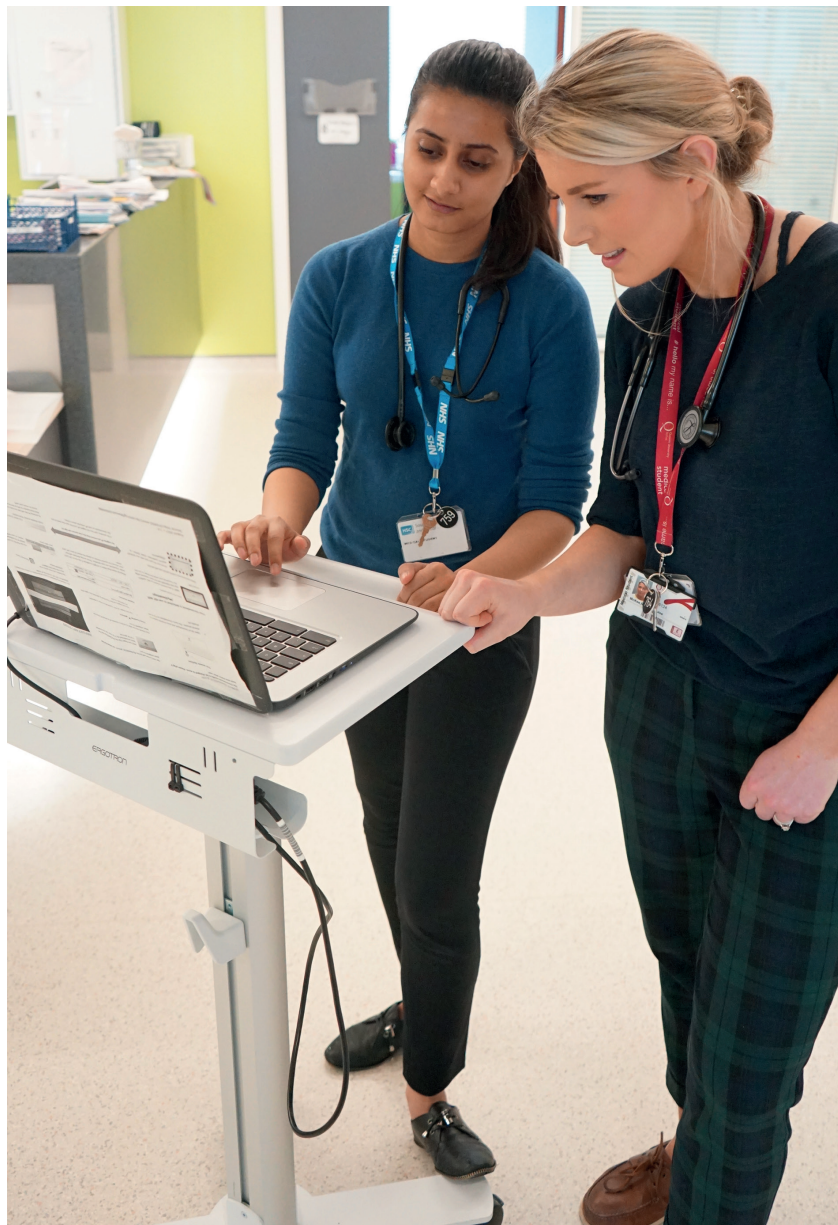
Medical

Medical Education

The Department of Medical Education continues to provide teaching to QUB undergraduates and supervises the training of over 200 doctors in training on behalf of NIMDTA. This requires consultants and specialist doctors providing teaching and supervision. We presently have over 140 doctors recognised as Trainers by the GMC to provide this across the Trust.

We have also welcomed 12 overseas Medical Students for elective periods of training and have also provided work experience to 160 sixth form students.

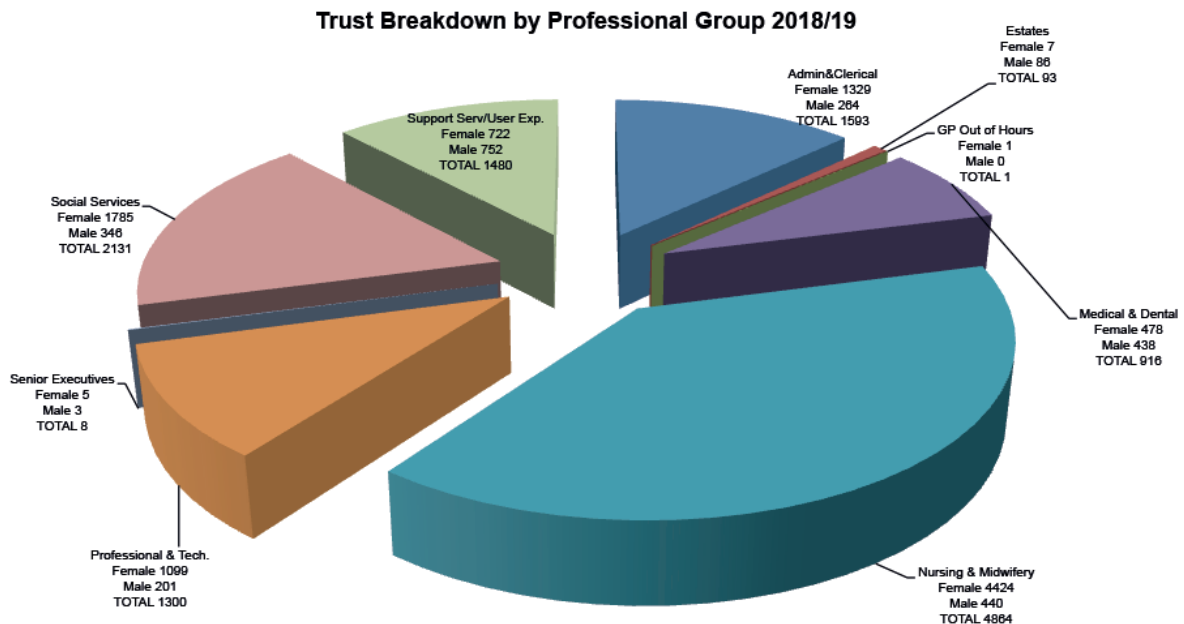
The simulation team has recently been highlighted by QUB as providing excellent teaching to the undergraduate students and GMC survey results reassure that the quality of supervision and training of junior doctors remains high.



Performance Overview

Human Resources & Corporate Affairs

The Human Resources Department provide a range of services to approximately 12,000 staff including Bank Staff. The attraction and retention of staff remains a key focus for the Trust.



Highlights for 2018/19 include:

Employee Resourcing

- Number of applicants **8,197**
- Number of Posts filled **1,134**
- Transformation: During the period April 18 March 2019, **197** Transformation positions were recruited to. A further 159 positions are at various stages of the recruitment process
- During 2018/19 the Trust Corporate Bank service filled **109,312** Bank & Agency shifts equating to **865,476** hours a **16%** increase on filled shifts from 2017/18
- Users of the Corporate Bank Service increased by **7%** compared to 2017/18
- The Trust Corporate Bank Team were finalists in national HPMA “HR Team of the Year” awards
- During 2018/19 campaign **2,615** flu vaccines were administered to Trust front line staff. The percentage of front line staff vaccinated = **30.70%**.

Organisation and Workforce Development

Coaching

Coaching integrates a systems wide coach approach focusing on supporting and enabling performance development and improvement at Individual, Team and Organisational levels. It is characterised by the principles of Collective Leadership and operates in the context of delivering continuous improvement within service delivery.

Performance Overview

Human Resources & Corporate Affairs



Our coach approach unites embedding coaching conversations as an effective organisational development approach to change and improvement now and in the future. It encourages solution focussed mindsets and firmly places staff at the heart of conversations, in which they are championed as being resourceful, capable and responsible.

Coaching is a positive and integral component within our systems, processes and practice. It is embedded within Quality Improvement, Human Resources and Organisation Development; Appraisal Conversations, Supervision Conversations, Development Interventions and Succession Planning with

Coaching conversations and behaviours the predominate approach of working together.

Appraisal

A new approach to appraisal, 'Appraisal Conversations' was introduced in 2018/19 for all staff working under Agenda for Change Terms and Conditions. This replaced the KSF Appraisal with the aim of reducing the burden of paperwork and allow managers and staff to engage in a more constructive and meaningful way.

Since it was implemented in July 2018, 471 managers have received training and almost 3,000 people appraised using the new approach. Feedback to date has been overwhelmingly positive.

An infographic titled 'APPRAISALS ARE CHANGING!' from South Eastern Health and Social Care Trust. It features a central circular diagram with 'Appraisal Conversations' at the center, surrounded by 'Plan', 'Do', and 'Review'. Below this, there's a section for 'Support' with 'Feedback' and 'Resignation' icons, and a list of questions: 'What training is available?', 'What forms do I use?', 'How do I report appraisals?', and 'Click here for the guide'.

Employee Relations

ER Clinics

The Employee Relations team is responsible for the effective management of employee relations processes and relationships across the Trust. This includes the development of policies and initiatives to promote a

harmonious working environment and improve working lives as well as the advancement of effective working relationships and partnership approaches with trade unions.

The team has introduced a new initiative known as Employee Relations (ER) Clinics to provide managers with bespoke training on employee relations matters. We will provide expert HR advice for complex cases and also an opportunity to up skill and increase managers' confidence in dealing with ER issues.

The ER Clinics are the first proactive initiative of its kind to support managers who are struggling to deal with complex ER matters. To date we have rolled out to 12 different teams across five Directorates and are hoping to have met every directorate and / or service team within the incoming year.

Performance Overview

Human Resources & Corporate Affairs

First Steps Nursery

The Trust Childcare Facilities continue to provide quality childcare across the Trust incorporating Day Nurseries, Summer Schemes and After Schools Clubs. This year we have completely



refurbished the outdoor play area at the Lagan Valley site and also completed a business case to create a new “forest play area” on the Lagan Valley site. The Childcare facilities will continue to provide safe and high quality childcare to our staff and their children.

Patient Experience

The Patient Experience (PE) Department is part of the Human Resources and Corporate Affairs Directorate providing a range of ancillary services to

enhance the public’s safety and experience whilst in our care.

Security, Transport, Car Parking & Travel Planning

The Trust is extending its security response capability at Lagan Valley Hospital; these staff will respond to first fault maintenance requirements at car parking equipment once traffic management measures are underway and will additionally provide response to security incidents.

This was a very busy year to roll out our Trustwide car parking management strategy, in line with DoH Policy and Public Consultation. There is particular emphasis on implementation of car parking management on the Ards Hospital site which has proven very successful with a noticeable difference to



congestion and spaces being available for our patients and visitors. Approximately 70% of visitors avail of the free parking element (first 30 minutes) in our barrier car parks. Work also commenced in June 2018 on full car parking management implementation on the LVH site which coincides with the enabling works for the new LPCCC.

Performance Overview

Human Resources & Corporate Affairs

It is anticipated that full car parking management will commence on the site on 1 April 2019. These changes will have a significant impact on the site. An alternative off site staff car park (175 spaces) has been identified by working in Partnership with Lisburn and Castlereagh City Council.

Catering

Service improvement continues within catering services, both for patients & staff and visitors. Community catering has worked in partnership with Speech & Language and Dietetic departments to develop a Trustwide menu that will be adaptable to meet the new IDDSI guidelines which will not only make for a safer patient centred service but will greatly reduce food costs, food wastage and packaging. The introduction of new texture descriptors for texture modified meals has increased the focus on this range of meals and the creation of a multi-disciplinary working group has encouraged collaborative working between catering, dietetics, speech and language and nursing staff. As a result, catering has developed a 2 week menu offering a choice for patients with swallowing difficulties. Collaboration has allowed all disciplines to promote the menu. We continue to develop our retail areas. Ongoing menu adaptation to meet Nutritional Guidelines ensures healthier choices are available for staff both in restaurants and vending services. Low sugar / water options now represent 76% of drink vending sales. We have re-opened the cafe in Maternity in the Ulster Hospital and have introduced a Barista service in IWB cafe.

Quality Performance and Training (QPT)

The QPT department continue to develop to ensure the support they provide to Patient Experience services improves the quality of each service. A training need was identified throughout Patient Experience teams for supervisors so the team worked with managers and Workforce Development to create and deliver a Supervisor's Development Programme. The feedback has been so positive, it will become a rolling programme until all supervisors have been retrained. The QPT team continues to work with Workforce Development to deliver the Patient Experience Administration Review. This review, designed to streamline work processes within Patient Experience has made great progress within the year - an admin manager has been identified and is developing the work streams.

Risk Management & Governance

The Risk Management & Governance Directorate comprises five key service areas that provide a corporate support function for the Trust:

- Complaints & Patient Liaison
- Information Governance
- Litigation Services & Systems Management
- Risk Management Advisory Services
- Office of the Chief Executive.

Performance Overview

Human Resources & Corporate Affairs

Some interesting facts for 2018/19:

- 768 complaints were received from services users (similar numbers to 2017/18 - 765)
- 3,692 compliments received from service users (similar numbers from 2017/18 - 3,680)
- 4,956 requests for information (38% increase from 2017/18)
- 18,887 incidents (similar numbers 2017/18 - 18,451), reaffirming the importance placed by staff on reporting incidents for the purposes of learning
- 9 potential major incident alerts - all stood down and none resulted in the activation of the Trust's Major Incident Plans
- 2 business continuity incidents (Switchboard Failure Ulster Hospital 30 June 2018, Power Failure Ulster Hospital 27 December 2018). Debrief meetings were held post the events and recommendations implemented by relevant areas.

Datix web - the move to online incident reporting and investigation commenced with a Project Group in place and pilot sites identified for testing of the new system. The pilot, using sites within Surgery, Mental Health and Pharmacy, commenced in mid February 2019 with awareness training provided to all pilot sites in advance of going live. On completion and evaluation of the pilot, a full roll out programme across the Trust will commence in April 2019. This will also include the use of regionally agreed incident codes for benchmarking purposes (known as CCS2 codes).

A range of training programmes were hosted during the year. Two new courses were commissioned and are listed below:

- IOSH Leading Safely (November 2018): Health & Safety training for senior leaders in the organisation attended by all Trust Board members
- Pilot three day IOSH Managing Safely (November / December 2018) aimed at operational managers equipping them with necessary to manage operational risks
- Due to popular demand - Effective Written Responses to Complaints Training (May 2018 and March 2019) was held again which focussed on providing staff investigating complaints with effective response writing skills.

Communications

The Communications team has been restructured to meet the needs of increasing demand for digital technology and is currently working on the development of a new Trust website. Demand for videos, many of them patient facing, continues to grow and the team has been upskilling. For the second consecutive year, we produced all 21 films for our Chairman's Awards in house. We have also produced a number of multi media health campaigns.

Our graphic design team is also upskilling with increasing demand for innovative patient information and user-friendly health promotion material.

The Senior Management Team would like to thank all staff within the Directorate for their commitment, enthusiasm and co-operation - without them the Directorate would not have achieved success during the year.

Performance Overview

Planning, Performance & Informatics

The **Performance and Improvement Department** provides corporate support to the operational directorates to ensure the Trust achieves its strategic aims and objectives. The department delivers its programme of work through three key teams:

1. **Performance and Information** team co-ordinate Trustwide performance monitoring and data analysis against targets, standards and key performance indicators as well as indicators of outcomes for the population as part of the operating cycle reporting arrangements. Clinical Coding is vital to enable the Trust to understand its performance in a timely fashion. This year the team continued to transform their processes and achieved the ministerial coding target. This has directly led to the achievement of a CHKS National Patient Safety Award.



Emma Hannaway, Head of Performance and Information

2. **Planning and Service Improvement** team supports operational directorates to develop plans to meet statutory and operational functions and to reform services. This is a critical role to ensure the Trust is adhering to performance targets, implementing agreed service and budget levels, demonstrating quality outcomes and delivering safe and effective care for our Service Users. The team also seeks to research and implement best practice in the areas of service improvement and quality including managing the internationally recognised ISO 9001 Quality Management System across the Trust with over 50 service areas now accredited.
3. **Transformation** team leads the coordination of the regional Transformation Programme as outlined in 2016 via the then Health Minister's vision, 'Health and Wellbeing 2026: Delivering Together.' The focus of this programme is on prevention, early intervention and supporting independence and wellbeing.

The Trust's transformation programme includes over 100 projects developed for implementation. These include:

- Multi-Disciplinary Teams (MDTs) in Primary Care (Down)
- Elective Care and Treatment Centre development
- Transforming Cancer services
- Mental health new models of care.

Performance Overview

Planning, Performance & Informatics

Personal and Public Involvement

The Trust's Personal and Public Involvement Strategy continues to be implemented across the Trust.

In 2018/19, the Trust contributed actively to the development of the regional Co-production Guide for Northern Ireland and the Personal and Public Involvement Regional Forum. The Trust also secured funding for additional resource in the Engagement and Involvement team and for the exploration of partnership working models. Plans are in place for the development of a Trustwide Learning and Development programme for Engagement and Involvement.

Contracts, Social Care Procurement and Commissioning Annual Report 2019

To support the work of the Operational Directorates the Trust has approximately 500 contracts in place with a range of providers. Throughout 2018/19 the Contracting and Commissioning Team continued to support the management of the contracts award process and monitoring of performance.

ICT, Technology and Telecommunications

2018/19 was another very successful year for the ICT Department. Technology continues to be a key enabler for delivery of safer, faster, better Health and Social Care. The demand for timely access to Patient and Client data by Health Care Professionals makes it more important than ever to have a robust technological infrastructure and an environment that promotes and supports its use.

Notable achievements in 2018/19 include:

Successful Investment of £3.7m in eHealth solutions and infrastructure.

Continued mobilisation of Trust staff to help ensure that staff have the right device to access health and care information to directly inform patient and client care. Currently 44% of the ICT devices used by Trust staff enable mobile working (the highest percentage across the HSC system).

Continued rollout and development of the Kainos Evolve Electronic Medical Records System and Northern Ireland Electronic Care Record throughout the Trust to minimise use of paper and provide instant access to medical records in any setting to directly support patient / client care.

Further development of community based systems to directly support professionals providing care to our community.

Development of Business Intelligence Analytics portals for use by staff to inform both clinical and management decisions.

Performance Overview

Planning, Performance & Informatics

Continued input and engagement with the Regional Encompass Programme, aiming to deliver a single health care record for all citizens. The Trust was identified on the 7 December 2018 as the lead Trust for this major transformation programme and is delighted that we shall be the first to go live with the encompass solution and play a crucial role in developing the implementation blueprint for subsequent implementation in other Trusts across the region.

Continued planning and preparation for the commissioning of the Acute Services Block, Ulster Hospital for handover at end of 2019 and opening planned for mid 2020.

Support of Trust staff using ICT devices to deliver care (for example ICT Department maintain 10,300 devices, 300 Acute, Mental Health and Business Systems and circa 10,000 staff accounts).

Leading the way with the enhancement of patient flow via the use of eHealth solutions including electronic Whiteboards & personal voice activated communication devices (Vocera) to improve, simplify and speed up effective communication among care professionals at the point of care.



**Lead Nurse, Emergency Department, Roisin Devlin
and ICT Telecoms Officer, David Cole**

Performance Analysis

Performance Informatics

The Trust measures and reports its performance against a broad range of targets and standards. Many of these focus on hospital-based care, but there are also many targets and standards that focus on how we care for people in their own homes and communities, how we safeguard children, and the services we provide to those who have disabilities or mental health problems. The Trust's performance compares favourably with the other Trusts in Northern Ireland. The following gives a flavour and brief overview of some of the targets that are set for the Trust, and indicates the performance for March 2019, with a comparative position at March 2018.

Hospital Services			
Target 2018/19	Commentary	March 2018	March 2019
Inpatient & Daycase Waits: Minimum of 55% of inpatients and day cases to be treated within 13 weeks and no patient to wait longer than 52 weeks	Increased demand in unscheduled care and an increase in red flag and urgent cases have impacted on routine waits, and have resulted in capping of electives and medical outliers in elective beds. Numbers waiting over 13 weeks have decreased by 1,293 on March 2018 and 52 week waits have reduced by 42 on March 18 due to the utilisation of Independent Sector particularly for scope procedures	44.5% (13wk)	52% (13 wk)
		83% (52wk)	82% (52 wk)
Outpatient Waits: Minimum of 50% of patients should wait no longer than 9 weeks for a first outpatient appointment and no-one to wait longer than 52 weeks	Demand continues to increase across all areas of outpatient activity whilst capacity has remained largely unchanged. Non-recurrent waiting list initiative and Independent Sector transfers to address risk areas only has been funded.	21.1% (9wk)	19.8% (9 wk)
		65.8% (52wk)	59.4% (52 wk)
Diagnostic Test Waits: 75% of patients should wait no longer than 9 weeks for the following diagnostic tests	Imaging - ie. X-Rays	71.4%	65.8%
	There is pressure on the service due to increased demand and this position has been achieved with the use of Waiting List Initiatives and Independent Sector. Diagnostic testing continues while reporting although reporting time is limited		
	Physiological Measurement	69.9%	51.4%
	There has been increased demand for this service with no additional funding Waiting List or Independent Sector additionality		
Diagnostic Reporting (Urgent): all urgent diagnostic tests should be reported within 2 days of the test being undertaken.	The number of reports on urgent examinations increased by 356 - 21% on March 2018, and breaches have increased from 151 to 606 in March 2019, this is despite using Independent Sector and waiting list initiatives to try to meet growing demands.	91%	70.1%
Hip Fractures 95% of patients to have inpatient treatment for hip fractures within 48 hours	February 2019 position, an exceptional month. Average performance over the other 10 months was 72.5%. Escalation measures have been put in place at various points over the year with additional lists organised and transfer of patients to elective lists in Musgrave Park Hospital. The Trust's inability to meet the target is due to insufficient fracture theatre resource to manage peak demand and due to the urgency of other complex fracture trauma cases. It is difficult to predict performance however the Trust Performance Trajectory predicted an average of 68% for 2018/19. Performance was aided by the capping of elective procedures to facilitate unscheduled demand.	62%	97%
Other Fractures 95% of patients to have inpatient treatment for fractures within 48 hours and no-one to wait more than 7 days	February 2019 position. The Trust's inability to meet the target is due to insufficient fracture theatre resource to manage peak demand and due to the urgency of other complex fracture trauma cases. Within current resource the Directorate anticipates 65 - 70% target is achievable.	62%	89%
	% treated within 7 days	95.2%	100%

Performance Analysis

Performance Informatics

Cancer Services			
Target	Commentary	March 2018	March 2019
All urgent breast cancer referrals should be seen within 14 days.	The number of referrals to the Symptomatic Breast Service has continued to increase throughout 2018/19. The number of suspect cancer referrals has continued to rise. In 2018/19 the average number of referrals received each month rose to 160 from 137 in the previous year. It is anticipated that the increase in referrals will continue throughout 2019/20. This will cause significant problems in achieving and maintaining 100% of referrals being seen within 14 days.	100%	98.6%
98% of cancer patients should commence treatment within 31 days of decision to treat.	Performance has been over 95% on 6 of the last 12 months with the use of Independent Sector and Waiting List Initiatives. There were 7 breaches in March 2019.	98%	94%
95% of patients urgently referred with a suspected cancer should begin their first definitive treatment within 62 days.	Compliance against the 62 day standard remains challenging. The number of red flag referrals received each month has continued to increase. In 2016/17 the Trust received on average 1,143 referrals each month. This increased to 1,267 in 2018/19. The trust is currently recruiting 2 additional trackers to allow for proactive tracking. Additional WLI and IS activity continuing for Dermatology, plastics and endoscopy.	66%	49%

Community Services and Services for Older People			
Target	Commentary	March 2018	March 2019
Allied Health Professional Outpatient Waits: no patient should wait longer than 13 weeks from referral to commencement of treatment.	Performance has been steady over the year. The main area of pressure is Adult Speech and language Therapy where demand has increased threefold due to the increased number of choking incidents and swallowing assessments required. There is also an increased requirement for training following SAIs related to choking. A focused piece of work on a new model of service has resulted in a reduction in the numbers of referrals waiting and in addition all urgent referrals are assessed and treated within the agreed standard. There is also increased demand in Children's Occupational Therapy service.	97.6%	95.3%
Assess & treat older people - older people should have the main components of their care needs met within 8 weeks of the completion of assessment.	The Trust is meeting this target.	100%	100%

Performance Analysis

Performance Informatics

Children's Services			
Target	Commentary	March 2018	March 2019
All children admitted to residential care should, prior to admission, have had their placement matched through the Children's Resource Panel Process.	The Trust is meeting this target.	100%	100%
Care leavers in education, training or employed Ensure that at least 75% of all care leavers aged 19 are in education, training or employment.	The Trust is meeting this target.	81%	80%
Autism. No child to wait more than 13 weeks for assessment following referral.	The Trust is meeting this target.	98.1%	100%
Autism. No child to wait more than 13 weeks for the commencement of specialist treatment following assessment.	The Trust is meeting this target.	100%	100%

Adult Services			
Target	Commentary	March 2018	March 2019
Discharges: 99% of patients admitted to Mental Health services for assessment and treatment to be discharged within 7 days of the decision to discharge.	The Trust has met this target but it is becoming increasingly more challenging to do so as community accommodation options are more limited. Therefore, it is anticipated that the Trust will find it more difficult to meet the target as we progress through 2019/20.	100%	100%
No patient to wait longer than 13 weeks from referral to assessment and commencement of psychological therapies.	<p>The Trust achieved 51.3% of performance target in March 2019. In March 2019 there were 853 patients waiting for access to psychological therapies compared to 618 patients waiting in March 2018. This increase in patients waiting is largely attributed to an increase in the Adult Mental Health Service, who in March 2019 had 586 patients waiting, with 331 breaching, compared to 364 patients waiting and 105 breaching in 2018. This increase in patients waiting is due to 3 factors:</p> <ol style="list-style-type: none"> (1) Increase in referral rates (2) High level of staff sickness in the service (3) A delay in recruitment to 3 vacant posts while awaiting regional agreement regarding job descriptions. <p>In comparison the Service have continued to secure an improvement in Health Psychology waiting times with a reduction in breach position from 77 patients in 2018 to 27 patients in March 2019. There has also been a reduction in longest waiting time from 338 days to 283 days in this service area.</p>	63.1%	51.3%

Performance Analysis

Performance Informatics

The Trust continues to report performance in line with the new integrated accountability arrangements launched in 2017/18 to Trust Board which measures the Trust's Performance against:

- Agreed population health and well-being outcome measures as outlined in the Draft Programme for Government (PfG 2016-21)
- Plan targets and indicators of performance drawn from the Health and Social Care Draft Commissioning Plan 2017/18.

The phased implementation of outcomes reporting continues to demonstrate the Trust's contribution to the achievement of PfG population level outcomes. A dashboard is provided on a bi-annual basis to demonstrate the Trust's contribution to the achievement of the following PfG Outcomes:

- We enjoy long, healthy active lives
- We care for others and help those in need
- We give our children and young people the best start in life
- We have a more equal society
- We have a safe community where we respect the law and each other.

Performance Analysis

Strategic & Capital Development

Strategic & Capital Development

Strategic & Capital Development successfully managed a capital budget of £49m in year 2018/19 to progress a number of large scale capital projects.

Notable Strategic and Capital successes and achievements in 2018/19 include:

Ulster Hospital Redevelopment

The Trust continues to deliver the £261m Ulster Hospital Redevelopment:

Acute Services Block

Construction of the new Acute Services Block is progressing. It is anticipated the new facility, which will be linked to the recently opened Inpatient Ward Block, will open to patients in Spring 2020 with the following services:

- Emergency Department
- Inpatient Imaging Department
- Acute Medical and Surgical Assessment Units
- Acute Wards including Stroke and Renal
- Support service facilities and restaurant.



Acute Services Block completing south façade



Aerial view into terraced courtyards

Emergency Department Car Park

Design work is underway to construct a new Emergency Department Car Park on the Ulster Hospital site with approximately 140 car parking spaces. This will provide significant benefit to the local community by ensuring easy access for patients and visitors to suitable parking arrangements adjacent to the new Acute Services Block and Emergency Department.

It is anticipated construction will commence Autumn 2019 and complete Spring 2020.

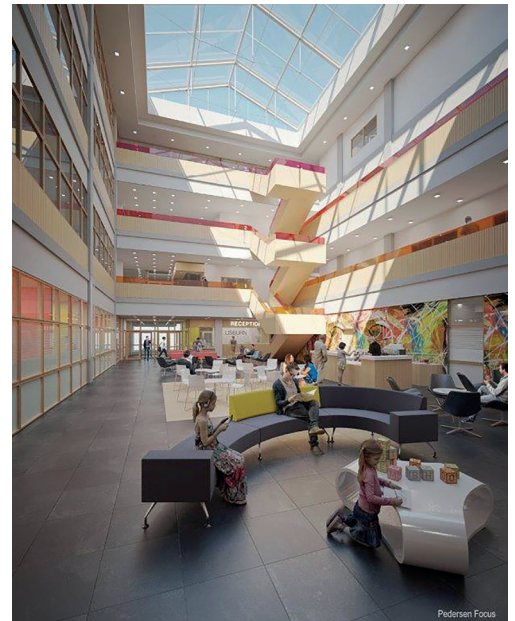
Performance Analysis

Strategic & Capital Development

Lisburn Primary and Community Care Centre (PCCC)

The development of a new Primary and Community Care Centre continues to provide integrated General Practitioner (GP) and community care services in one 12,000sqm facility on the Lagan Valley Hospital (LVH) site.

The contract for this innovative Third Party Development (3PD) pathfinder project was awarded to developers GPG O'Hare in October 2018. It is anticipated that construction of the new PCCC facility will commence Spring 2019 and planned to complete in 2021.



Artist's impressions of the exterior and atrium of the Lisburn PCCC

New Project Proposals

The following outline business cases have been submitted in the year 2018/19 to the Health and Social Care Board for support, before final submission to the Department of Health for approval:

- Rationalisation of Acute Mental Health Inpatient Services
- Provision of health care services at Colin Town Centre
- Development of Ards and North Down Primary and Community Care Infrastructure.

Performance Analysis

Finance Report

The South Eastern HSC Trust had an operating expenditure budget of £682 million and a capital expenditure budget of £66.2 million in 2018/19.

The Trust's Revenue Resource Limit (RRL) represents the funding provided to it primarily by the Department of Health, either directly or through the Health & Social Care Board. For the 2018/19 financial year, this amounted to £638.7 million.

This funding is used to provide a wider range of health and personal social care services to the population of North Down, Down, Ards and Lisburn local government districts - a population of approximately 360,000 people. In addition, the Trust also provides services to a wider population, mainly via the Ulster Hospital, Dundonald, due to its proximity to Belfast.

Financial Environment

Health & Social Care, as well as the wider public sector, is facing an increasingly challenging financial climate and this continued to be felt by the Trust during 2018/19.

The Trust had a financial savings target during the year of £9.0m, of which £2.4m was achieved through recurrent savings derived from a range of efficiency measures. The remainder of the target was met by non-recurrent measures, such as vacancy controls, in-year slippage resulting from delays in implementation of service developments and other, non-recurrent, contingency measures. The Trust also delivered its annual breakeven duty, reporting an overall surplus of £88k.

During the year the Trust has progressed a number of service developments and improvements. As part of the 2018/19 Confidence & Supply funding of £100m for Northern Ireland, the Trust has supported over 100 transformation projects during the year equating to a revenue spend of £13.5m and a capital spend of £1.3m.

The Trust's performance against its key financial targets summarised in the following table.

	Target	Actual
	(£'000)	(£'000)
1. Financial Breakeven – Surplus / (Deficit)	0	88*
2. Capital Resource Limit	66,169	66,157

In the year, the Trust's surplus on its revenue funding was £88k, meeting its breakeven requirement. £34k of this surplus related to the Confidence and Supply funding which the Trust received, the remaining £54k surplus related to normal core operations within the Trust.

Despite the financial challenges and increased demands for our services, the Trust achieved financial balance in 2018/19, whilst continuing to drive our Safety, Quality and Patient Experience (SQE) agenda. This has been achieved through a combination of sound financial management and the continued efforts of our staff to deliver on the SQE ethos within the Trust.

The Trust continues to deliver on a significant capital expenditure programme of £66.157m comprising of £47.7m associated with the Ulster Hospital redevelopment, acute services block, £8.5m specific capital projects and £10m for various minor capital projects funded from the Trust's General Capital allocation.

Performance Analysis

Finance Report

The Trust has also continued to focus on improving on its Prompt Payment Performance. This is the measure of the speed by which we pay our invoices. The Trust has made significant improvements in 2018/19, particularly with in last eight months of the financial year, where the Trust met, or exceeded, the target in seven of these months.

The Trust's cumulative Prompt Payment Performance during 2018/19 is summarised in the table below:

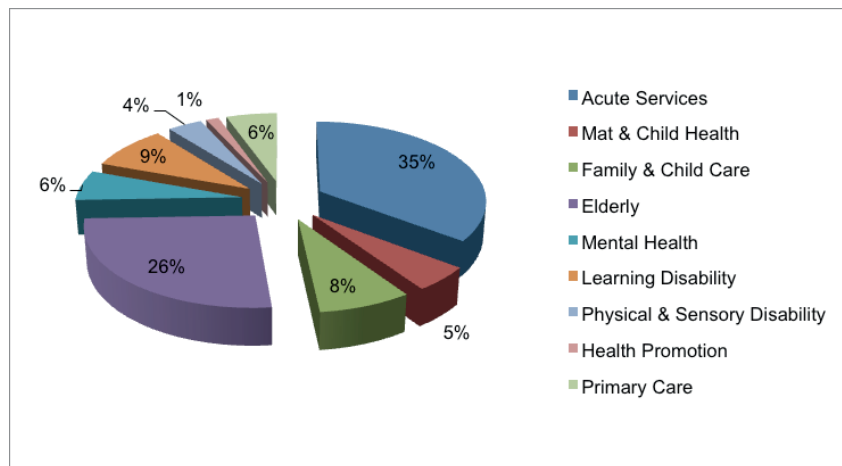
Measure	Target	2018/19	2017/18
Payment in 30 days	95%	94.82%	91.85%
Payment in 10 days	70%	81.28%	75.45%

Whilst the Trust is just below the 95% target for payment of invoices within 30 days, at 94.82% cumulatively for the financial year the improvement in performance is evident in comparison to the previous financial year (91.85% in 2017/18). The Trust is performing well above the 70% target for the payment of invoices within 10 days, at 81.28%.

Income and Expenditure

Health and Social Care services are classified into different programmes of care and an analysis of the Trust's revenue expenditure across these programmes is illustrated in the following chart.

Percentage Expenditure by Programme of Care

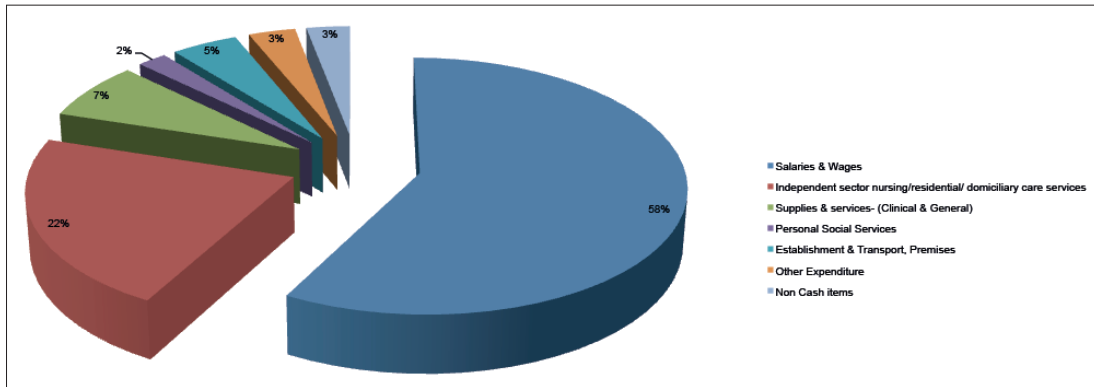


The largest area of revenue expenditure is within Acute services, with 35% of the Trust's total expenditure.

The following chart illustrates how the Trust spent its revenue funding in 2018/19.

Performance Analysis Finance Report

How we spent our funding in 2018/19



The Trust is dependent on its skilled and dedicated workforce to deliver high quality services to patients and clients and therefore the largest area of expenditure is in respect of these pay costs, £407.3m. Within this pay total, the Trust spent £79.5m on doctors and dentists, £139.4m on nurses and midwives and £67.9m on social work / social care and domiciliary homecare staff.

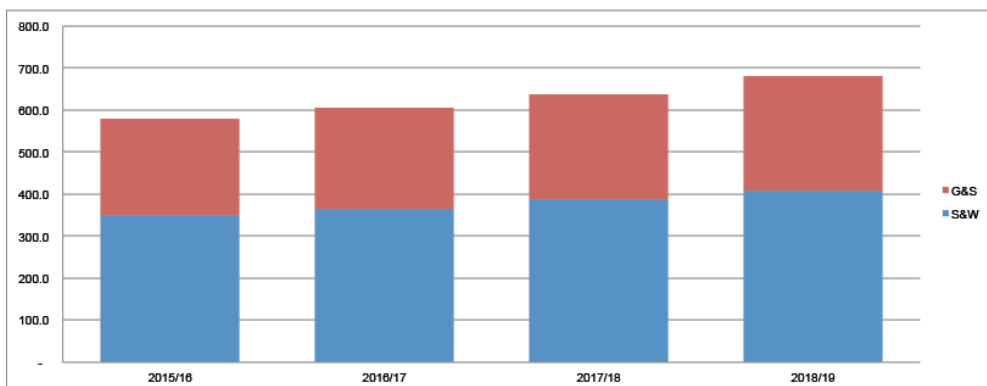
Non-pay revenue costs of £274.7m include £154m (22% of total expenditure) for residential, nursing and domiciliary care delivered by other organisations on the Trust's behalf and £51.6m (7% of total expenditure) for clinical and general supplies such as drugs and minor medical equipment.

Non-cash expenditure of £21m includes items such as depreciation, amortisation and impairment on non-current assets. This also relates to non-cash costs associated with provisions, such as clinical negligence and employer liability litigation cases. This expenditure is met by separate (RRL) funding from the Department of Health.

Long Term Expenditure Trends

The chart below shows actual revenue expenditure, broken down by pay costs, ie. salaries and wages (S&W) and non-pay, i.e. goods and services (G&S) categories, incurred by the Trust from 2015/16 to 2018/19.

Revenue Expenditure (£m) from 2015/16 to 2018/19



Performance Analysis

Finance Report

Pay expenditure is almost 60% of the total of these two categories of spend in 2018/19, which excludes other elements of non-cash revenue expenditure, such as depreciation on assets.

Capital Investment

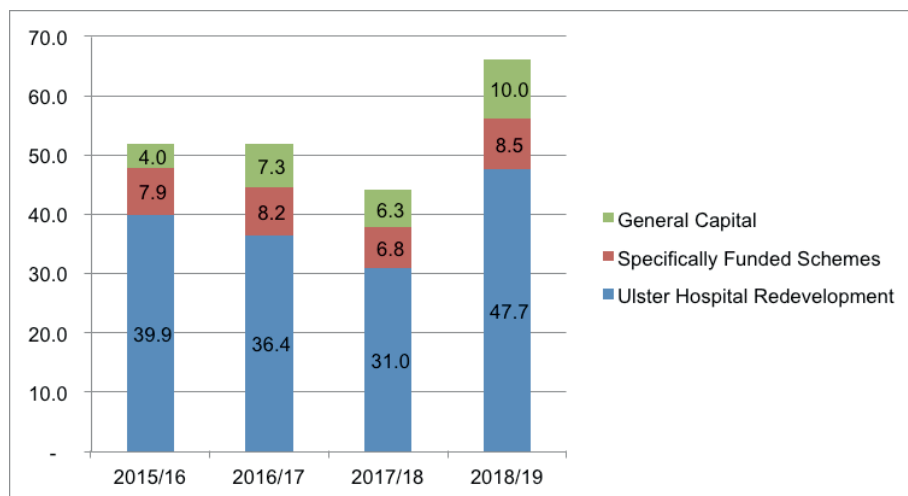
In addition to the annual spend on paying staff and other expenses, the Trust is involved in a continuous process of improving its facilities and equipment. During the year, £66.157m was spent on capital investments, the main elements of which are summarised in the following table.

Capital investment 2018/19	£'000
Ulster Hospital Redevelopment, Acute Services Block and Laundry	47,696
Lagan Valley Hospital, enabling works	1,990
Buildings, estates and maintaining essential services	5,257
ICT	3,950
MRI Scanner	1,200
Plant & Equipment	5,211
Vehicles	853
Total (excluding charitable funds)	66,157

The Trust's funding and spending each year on specific capital investments will fluctuate, based on the number, scale and stage to which approved schemes have reached. Other areas of capital investment are also dependent on the capital funding received from the Department of Health each year. Note, the general capital spend is after the capital resource limit adjustment for disposals.

The following chart illustrates the Trust's capital expenditure over the four year period from 2015/16 to 2018/19.

Capital Expenditure (£m) from 2015/16 to 2018/19:



Performance Analysis

Finance Report

Whilst 2019/20 will be a challenging year financially for the Trust, the Health & Social Care Board and the Department of Health are working with all stakeholders to develop a financial strategy which addresses all pressures and emphasises the need for continued efficiency. The Trust is currently planning to identify Directorate savings of £2m and to identify high impact proposals for residual savings gap of approximately £10.5m if no funding for this residual gap is forthcoming from Department of Health.

The Directors believe that the Trust will continue to operate on a “going concern” basis.

Expenditure from Charitable Donations

In addition to the funding allocations that the Trust receives from the Department of Health, the Trust also receives charitable donations from members of the public. During the financial year 2018/19, the Trust received £0.202m in charitable donations.

The Trust has established a Charitable Funds Committee which is responsible for ensuring that charitable donations received from the 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 Trust’s Standing Financial Instructions, Departmental guidance and legislation.

The underlying principle of the management of the Trust’s charitable donations is that they can only be used for the purpose for which they were donated. Expenditure in respect of the Trust’s charitable funds was £0.405m in 2018/19. This expenditure is categorised in the table below:

Charitable Trust Fund expenditure 2018/19	£’000
Purchase of new equipment	158
Patient Education and welfare	116
Administration	68
Staff education and welfare	42
Building and refurbishment	12
Other	9
Total	405

Charitable donations are not used to fund core services. They are used to provide or purchase services that are not centrally funded, and examples of expenditure the Trust has made during 2018/19 as a result of donations, include:

- A specialised Cardiac bike and ECG equipment to support Lagan Valley Hospital Cardiology services
- An Ultrasonic Bronchoscope and Vital Sign Monitors for Cancer Services provided within the Ulster Hospital
- A new UVB machine for the Ulster Hospital Haematology service
- Supporting patient education and welfare by the use of Clown Doctors within Children’s wards
- Staff training and development to support improvement of services.

Performance Analysis

Finance Report

A separately audited set of Charitable Funds Accounts are published on the Trust's website and are available on request from the Trust's finance department.

If you would like to make a donation to the Trust to help us to continue to enhance the experiences of patients and clients in our care, staff at ward or facility level would be happy to advise any member of the public, or alternatively you can contact:

**Chief Executives Office
Trust Headquarters
Ulster Hospital
Upper Newtownards Road
Dundonald
Belfast
BT16 1RH**

Tel: (028) 9055 3100

The Trust would like to take the opportunity to thank all those who have donated to the Charitable Trust Funds throughout the year.

Performance Analysis

Sustainability Report

With regards to the sustainability within the South Eastern HSC trust it has been identified that the major areas and KPIs of concern are those of gas / oil / electricity / water consumption, emissions to atmosphere of hydrocarbons and generation of various wastes; all manifesting themselves in the “Carbon Footprint” of the Trust.

South Eastern HSC Trust performance year on year was:

Utility		2017/18	2018/19	Variation
Gas	Expenditure	£2,608,511.28	£2,894,073.45	(+) 10.95%
kWh	Consumption	80142774	69635948	(-) 13.11%
Elec	Expenditure	£2,965,631.30	£3,871,542.02	(+) 30.55%
kWh	Consumption	28462281	30056015	(+) 5.6%
Oil	Expenditure	£726,659.40	£781,970.49	(+) 7.61%
mWh	Consumption	16988.27	15737.26	(-) 7.36%
Biomass	Expenditure	£34,036.90	£51,944.69	(+) 52.61%
mWh	Consumption	918.28	1250.75	(+) 36.21%
Water	Expenditure	£486,365.55	£679,354.30	(+) 39.68%
	Consumption	144969	230287	(+) 58.85%
Budget Expenditure		£6,821,204.43	£8,278,885.00	(+) 21.37%
Estate mWh Consumption		126511.6	116680	(-) 7.77%
Trust Carbon Emissions		18521	16263	(-) 12.19%
Degree Day Correlation		-	-	-
CRC Regulated core emissions		24541	21094	(-) 14.05%
CRC Cost		£371,770.8 (+ £48000 in carried forward allowances)	£370,000.00	(-) 11.86%

Clinical Waste

Clinical Waste	2016/17	2017/18	2018/19	3yr % Change
Tonnage	757.51	738.398	753.023	-0.59%
% change yr-yr	2.90%	-2.52%	1.98%	
Disposal Cost	£333,636.05	£330,506.05	£348,298.60	4.39%
%change yr-yr	-24.60%	-0.94%	5.38%	
Community Collection Cost	£49,646	£53,018	£47,873.00	-3.57%
% change	9.97%	6.79%	-9.70%	
Total Cost Clinical	£383,282.05	£383,524.05	£396,171.60	3.36%
%change yr-yr	-21.44%	0.06%	3.30%	

Performance Analysis

Sustainability Report

- Clinical Waste tonnage largely unchanged over last 3 years.
- New clinical waste contract commenced November 2015 with significantly reduced unit price and a revised pricing structure. 2016/17 shows first full year at reduced price
- Contractor was awarded price uplift of 2.7% for general clinical waste and 1.15% for pharmaceutical waste in May 2018 which combined with slight tonnage increase resulted in approximately 5 % cost increase
- Community clinical waste collection costs down slightly due to facilities closing / transferring to hospital premises
- Small overall increase in clinical waste costs over last 3 years.

Non-Clinical Waste

Non Clinical Waste	2016/17	2017/18	2018/19	3yr % Change
Tonnage	1429	1416.587	1486.28	4.01%
% change yr-yr	16.80%	-0.87%	4.92%	
Disposal Cost	£179,259	£188,056	£214,729.23	19.79%
%change yr-yr	0.32%	4.91%	14.18%	
Food Waste				
Tonnage		76.844	140.037	NA
% change yr-yr		NA	82.24%	
Disposal Cost		£12,098.65	£24,604.00	NA
%change yr-yr		NA	103.36%	
Bulky Skip Waste				
Tonnage	232.12	239.37	223.5	-3.71%
% change yr-yr	30.20%	3.12%	-6.63%	
Total weight Landfilled	131.95	135.3	133.86	1.45%
% change yr-yr	48.49%	2.54%	-1.06%	
Total Weight Recycled	100.17	104.07	89.64	-10.51%
% change yr-yr	12.02%	3.89%	-13.87%	
Disposal Cost	£17,082	£22,394	£21,297.67	24.68%
% change yr-yr	13.96%	31.10%	-4.90%	
Confidential Waste				
Disposal Cost	£14,870	£17,705	£21,054.00	41.59%
%change yr-yr	1.31%	19.07%	18.92%	
Other Non-Clinical Waste				
Disposal Cost	£2,748	£2,357	£5,548.00	101.89%
%change yr-yr	-17.43%	-14.22%	135.36%	
Total Cost Non-Clinical	£213,959	£242,611	£287,233	34.25%
%change yr-yr	0.89%	13.39%	18.39%	

- 'Domestic waste' covers all recyclable and non-recyclable 'household type' waste
- Approximately 5 % increase in total tonnage in last year
- A new regional contract commenced January 2018 with increased unit costs
- 2018/19 is first full final year with new prices

Performance Analysis Sustainability Report

- Food Waste is separately collected from food production areas
- Collection of Food Waste fully rolled out in April 2017 so 2017/18 is first full year of data
- Very large increase in tonnage over 2018/19 - could reflect more thorough segregation but is also being analysed by facility to identify high wastage areas
- New Regional Food Waste contract commenced January 2018 with significantly increased unit prices
- This is an additional cost as prior to April 2017 food waste disposed of to sewer via waste disposal units
- Bulky skip waste is primarily discarded furniture and equipment
- Opening of IWB in 2016/17 impacted on tonnage significantly
- Ongoing Tonnage fairly consistent annually - with small decrease in 2018/19
- Cost increases due to new regional contract commencing in January 2019 with unit price increases
- Confidential Waste is primarily paper which requires security shredding prior to recycling
- New regional contract awarded in October 2018 with significant unit price increase
- Other Waste includes WEEE, Chemicals and compostable waste. Very small amounts and arise sporadically.

Overall

	2016/17	2017/18	2018/19	3 year % change
Grand Total Tonnage	2418.63	2471.199	2602.840	7.62%
%change yr-yr	13.15%	2.17%	5.33%	
Grand Total Cost	£597,241.05	£626,135.09	£683,404.50	14.43%
%change yr-yr	-14.68%	4.84%	9.15%	9.15%

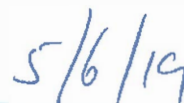
- There has been a significant increase in costs relative to the % increase in tonnages - this is primarily due to new regional contracts
- There continues to be an upward trend in overall tonnages due to increased activity
- Significant savings were made over in 2016/17 due to reduced clinical waste prices but subsequent increases are expected to continue due to new regional contracts, increased activity and the opening of IWB / ASB.

On behalf of the South Eastern HSC Trust I approve the Performance Report encompassing the sections:

- Performance Overview
- Performance Analysis.



Neil Guckian
Accounting Officer



Date

Accountability Report

Non Executive Directors Report

The South Eastern Health & Social Care Trust (the Trust) services a population of over 360,000 people and is proud of its Quality, Innovation and Improvement Ethos, ensuring Safety, Quality and Patient Experience (SQE) are central themes for its service users and staff.

As Non-Executive Directors (NEDs), our role is to assure ourselves and the Trust Board that the Assurance framework and the Governance Committee and related sub committees are addressing key governance issues within the organisation. Our responsibilities include strategy; constructively challenging and contributing to the development of strategy; performance, scrutinising the performance of management in meeting agreed goals and objectives; risk, by satisfying ourselves that financial and other information is accurate and that financial controls and systems of risk management are robust and defensible. We are also responsible for ensuring the Board acts in the best interests of the public and is fully accountable to the public for the services provided by the Trust.

There are currently six Non-Executive Directors of the Trust Board (listed below), as one of our colleagues, Mrs Laura O'Neill, stood down from her post in September 2018.

- Mr Noel Brady (Chair of the Audit Committee);
- Dr Maura Briscoe (Chair of the Governance Assurance Committee);
- Mr Maynard Mawhinney (Chair of the Finance & Performance Committee);
- Mrs Helen Minford (Chair of Charitable Funds Committee);
- Mrs Joan O'Hagan (Named NED lead for Investors in People); and
- Mr Jonathan Patton (Named NED lead of Safeguarding).

The role of Non-Executive Director within the Trust is an active one, apart from preparing for, and attending Trust Board meetings and associated workshops, we all have the responsibility of either carrying out the role of Chair of a Board Committee, or being a core member of a number of formal Committees within the Trust. These include the Trust's Audit Committee, Finance & Performance Committee, Governance Assurance Committee, Charitable Funds Committee and Remuneration and Terms of Service Committee.

In addition, the Non-Executive Directors also attend the Corporate Control Committee and the Safety and Quality Improvement & Innovation Committee, which both support the Governance Assurance Committee in all matters pertaining to the governance agenda of the Trust. We attend other sub committees where there is a specific requirement to have a Non-Executive Director member, for example, Personal & Public Involvement, Infection Prevention and Control and Safeguarding. In addition, we also chair Consultant interview panels and attend regional groups, for example, work relating to the Inquiry into Hyponatraemia-Related deaths.

Accountability Report

Non Executive Directors Report

Three Non-Executive Directors (Dr Briscoe, Mrs O'Hagan and Mr Patton) are members of the Adoption Panel which meet on a fortnightly basis throughout the year. This is an important duty, which we are privileged to carry out, as this can support our children and young people to gain a better start in life within a stable and loving environment.

One other very important role is to visit Children's Homes which helps fulfil our statutory role as Corporate Parents. We also undertake environmental visits, accompanied by Patient Experience staff, on a regular basis visiting a range of facilities throughout the organisation.

This year has also brought change to the senior team within the Trust. Hugh McCaughey, who has been the Trust's Chief Executive since 2009, has taken up a new post as National Director of Improvement for NHS England and NHS Improvement. We all congratulate him on his success. His work to develop, promote and embed SQE within this Trust will undoubtedly be progressed at a national level in his new post.

Our previous Chairman, Colm McKenna, also stood down from his post in February 2019 after two successful terms. The Non-Executive Directors would take this opportunity to thank him for his leadership and dedicated service he gave to the Trust, and wish him well in his future endeavours.

We welcome our new Chairman, Deep Sagar, who joined the Trust in March 2019. He has a breadth of experience in both the private and public sector. We look forward to working with him and the Executive Management Team and wish him every success in his new role.

Finally, we wish to thank all staff within the Trust for all their hard work and the commitment they show to their jobs, especially during difficult times. Our staff are the face of the services which the Trust provides and we wish to acknowledge and commend their continued efforts to enhance the experience and health of the population we serve.

The Trust is entering a new financial year, where financial pressures will continue as demand for services increase and new technologies emerge. It is, however, important for the Trust to continue on the journey of modernisation and transformation of service delivery. This can only occur with the dedication of our staff, who are our key resource in enabling the Trust to respond to the challenges which we face.

Accountability Report

Corporate Governance Statement

Introduction / Scope of Responsibility

The Board of the South Eastern Health and Social Care Trust (the Trust) is accountable for internal control. As Accounting Officer and Chief Executive of the Board, 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).

The Trust has a number of processes in place to ensure effective working with key stakeholders. These include:

- Service and Budget Agreements with the main Commissioning body, the Health and Social Care Board (HSCB), which establish clear specifications for the delivery of health and social care. Performance against these is monitored through a regular schedule of meetings and reporting;
- Ensuring compliance with statutory and other requirements set by the DoH, Northern Ireland and the Minister, to whom the Trust is ultimately accountable;
- Patient and Client Forums for a wide range of our services to maximise involvement of patients and clients in determining the manner of delivery of their own treatment and care;
- Public board meetings and public consultations on all major service changes, to ensure active engagement with the community we serve;
- Twice annual Accountability meetings with DoH, and monthly meetings with HSCB;
- The Trust's Chief Executive is a member of the regional Transformation Implementation Group (TIG), chaired by the Permanent Secretary for Health, alongside other leaders and clinicians from across the Department and the Health and Social Care system. The Transformation Implementation Group provides the strategic leadership to oversee and make decisions on the design, development and implementation of the Health and Wellbeing 2026: Delivering Together Transformation Programme;
- The Director of Children's Services is a member of the regional Children's services Improvement Board, chaired by HSCB, alongside DoH and other regional Directors of Children's Services. This Improvement Board provides strategic leadership, agreeing priorities for the transformation of children's services and standardising services and practice regionally;
- The Director of Hospital Services is a member of the regional Cancer, Unscheduled Care, Major Trauma, Diabetes and Critical Care networks and these networks include Directors of Acute Services from all Trusts. The networks provide strategic leadership, agreeing priorities for the transformation of services and standardising services and practice regionally;
- The Director of Planning and Performance is a member of the Directors of Planning and Performance Forum which meets regularly with HSCB, DOH colleagues and other leaders across Health and Social Care. This forum collaborates and adopts a consistent approach to strategic planning, service improvement, transformation, commissioning, contracting and eHealth matters in accordance with regional policy direction;
- The Director of Adults Services is a member of the regional Mental Health and Learning Disability Improvement Board, chaired by HSCB, which has membership at director level from across all Trusts, the DoH and RQIA. The Improvement Board provides strategic leadership, agreeing priorities for the transformation of Mental Health and Learning Disability services and standardising services and practice regionally. The Directors of Adult Services in the five HSC Trusts have also established a Collaborative Board which includes

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representatives from Academic Institutions and the PHA to work on the Towards Zero Suicide Initiative;

- The Director of Human Resources and Corporate Affairs works closely with the DoH and other Director of HR colleagues to agree and deliver the strategic workforce agenda for HSC.

Compliance with Corporate Governance Best Practice

The Trust applies the principles of good practice in Corporate Governance and continues to further strengthen its governance arrangements by undertaking continuous assessment of its compliance with Corporate Governance best practice. In March 2019, the Trust completed its seventh formal baseline assessment of the Department of Health's (the Department) document entitled 'Board Governance Self-Assessment Tool (BGSAT)'. The assessment covered the following 4 areas:-

1. Board composition and commitment;
2. Board evaluation, development and learning;
3. Board insight and foresight; and
4. Board engagement and involvement

One Board Impact Case Study was also completed. This covered the area of Performance issues (in the area of quality, resources - finance, HR, Estates or Service Delivery) and the Board's role in bringing about change in respect of Prison Healthcare Services.

Each section was broken down into individual criteria and a Red, Amber and Green (RAG) rating was applied. There were a total of 17 criteria – 17 out of 17 were rated as Green. An action plan was developed detailing actions to achieve any areas of non-compliance with good practice and/or red flag areas on completion of the assessment. The assessment tool was formally approved by the Trust Board at its meeting on 20 March 2019.

Governance Framework

The Board exercises strategic control over the operation of the organisation through a system of corporate governance which includes:-

- A schedule of matters reserved for Board decisions;
- A scheme of delegation, which delegates decision making authority within set parameters to the Chief Executive and other officers;
- Standing Orders and Standing Financial Instructions;
- Register of Interests;
- Code of Conduct & Accountability for Board members and staff;
- Standards of Business and Gifts and Hospitality Policies and other relevant policies.

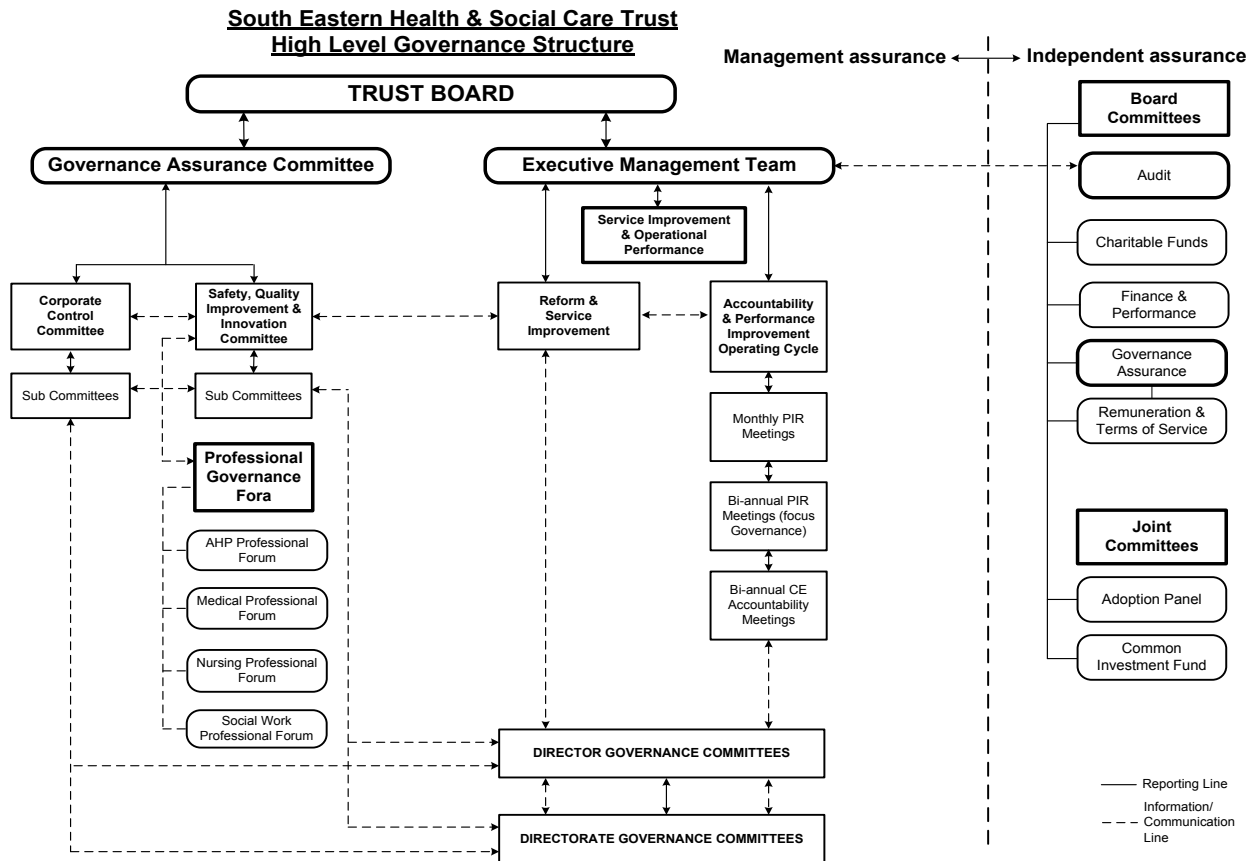
In addition, the Trust has an integrated governance framework in place which links corporate governance (including risk management and organisational controls), safe and effective care (clinical and social care governance), and financial governance. This framework is closely aligned to the Department's Assurance Framework (April 2009). It operates on the four domains contained in this document namely, Corporate Control, Safety & Quality, Finance and Operational Performance and Service Improvement. This framework for 2018/19 (see table 1 below) is further supported by the Trust's own Assurance Framework, Risk Management and Governance Strategies. The Governance infrastructure was last reviewed by the Corporate

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Control Committee at its meeting in 17 October 2018. Table 1, below, depicts the Trust's high level governance infrastructure.

Table 1 – High Level Governance Infrastructure



The role of the Trust Board is to establish the organisation's strategic direction and aims in conjunction with the Executive Management Team; ensure accountability to the public for the organisation's performance and assure that the organisation is managed with probity and integrity. It has five sub committees:-

- Audit;
- Charitable Funds;
- Finance & Performance;
- Remuneration & Terms of Service; and
- Governance Assurance.

Attendance records are maintained for all sub committees and these are detailed in Table 2 below. Each sub-committee has an approved Terms of Reference and an agreed Programme of Work which are reviewed on an annual basis to ensure that the committee is discharging its role and performance responsibilities.

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Table 2 – Attendance records for Trust Board and Sub Committee meetings

Board/Committee	Number of meetings	% Attendance
Trust Board	7	90
Audit Committee	4	85
Charitable Trust Funds Committee	3	94
Finance & Performance Committee	4	88
Remuneration & Terms of Service Committee	2	100
Governance Assurance Committee	4	60

The Audit Committee, under the chairmanship of a Non-Executive Director, meets not less than 4 times per year in line with its Terms of Reference and Programme of Work. Its main role focuses on the system of internal control and includes a range of functions about Governance and Internal Control, Internal and External Audit, Assurance Functions, Financial Reporting and Value for Money activities. It approves the Internal Audit programme of work which is risk based. It also receives the Head of Internal Audit's Opinion and recommends approval of the draft Governance Statement of the Board. In addition, it reviews progress on implementing internal and external audit recommendations. Following each meeting, the minutes of the Committee are submitted to the Trust Board for information/noting with the Chairman highlighting any specific governance issues for the attention of the Trust Board.

The Audit Committee, on an annual basis, undertakes a review of its effectiveness based on its Terms of Reference. This includes a section on attendance at committee meetings by members. The outcome of this work is reported to the Trust Board. The Committee also provides an Annual Report to the Trust Board at the year-end which provides assurances detailing that it is satisfied in respect of the reliability and integrity of the assurances received during the year and of their comprehensiveness in the meeting the needs of the Board and the Accounting Officer.

In addition, the Trust's Audit Committee annually reviews its effectiveness and application of good practice through the Audit Committee Self-Assessment checklist, issued by the National Audit Office. The last assessment was completed in May 2019 and all areas were compliant with the checklist.

The Charitable Funds Committee, chaired by a Non-Executive Director, meets not less than 3 times per year in line with its Terms of Reference and Programme of Work. Its main role is to oversee the administration, including banking arrangements, of Charitable Funds, their investment and disbursement. Following each meeting, the minutes of the Committee are submitted to the Trust Board, for information/noting with the Chairman of the Committee highlighting any specific issues for the attention of the Trust Board. The Committee, on annual basis, undertakes a review of its effectiveness based on its Terms of Reference. This includes a section on attendance at committee meetings by members. The outcome of this work is submitted to the Trust Board.

The Finance and Performance Committee, chaired by a Non-Executive Director, meets on a bi-monthly basis, or more frequently if required, in line with its Terms of Reference and Programme of Work. The committee is the delegated committee of the Trust Board with overall responsibility to ensure that the Trust Board delivers its statutory responsibility to breakeven. Following each meeting, the minutes of the Committee are submitted to the Trust Board, for information/noting with the Chairman of the Committee highlighting any specific issues for the attention of the Trust Board. In September 2018, the Terms of Reference for this committee

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were extended to include Performance issues and this was approved by the Trust Board at its meeting on 25 September 2018.

The Remuneration and Terms of Service Committee, is chaired by the Chairman of the Board. It meets as required by the Chairman of the Board and will meet a minimum of once per year. Its main function is to advise the Board on performance, development, succession planning and appropriate remuneration and terms of service for the Chief Executive and all Senior Executives, guided by Departmental policy. The Committee reports, on an annual basis, to the Trust Board (in a confidential meeting) the basis for its decisions and recommendations and seeks the necessary approval to its recommendations (circa June). Two meetings of the committee were held during 2018/19 and the outcome reported at a Confidential Trust Board meeting.

The Governance Assurance Committee is the lead Board committee for Governance and is supported in this work by two sub committees – the Corporate Control Committee and the Safety, Quality Improvement & Innovation Committee (both meet on a quarterly basis). These committees are further supported by a range of sub committees aligned to both areas. Each sub-committee has agreed terms of reference and annual work plans approved by its parent committee.

The Governance Assurance Committee, under the chairmanship of a Non-Executive Director, meets on a quarterly basis to ensure the continued development of this important and essential agenda. The focus of this Committee is to be the overarching strategic committee responsible to the Trust Board on all matters pertaining to Governance issues. Following each meeting, the minutes of the Committee are submitted to the Trust Board for information/noting with the Chairman highlighting any specific governance issues for the attention of the Trust Board.

The Corporate Control Committee supports the work of the Governance Assurance Committee. Its role is to be the overarching strategic committee responsible to the Governance Assurance Committee on all matters pertaining to integrated Corporate Governance issues i.e. Financial, Risk Management and other organisational controls. The Chief Executive chairs this committee, which meets on a quarterly basis, and oversees the work of all specialist risk management groups (which may include both clinical and non-clinical groups), the chairpersons of which report directly to the committee. A standing agenda item on the committee's agenda is the management of Risk Registers both Corporate and Directorate. The minutes of the meeting of the Corporate Control Committee are submitted to the Governance Assurance Committee.

In addition, the Safety, Quality Improvement & Innovation Committee supports the work of the Governance Assurance Committee under the chairmanship of the Chief Executive. Its role is to be the main sub-committee of the Governance Assurance Committee responsible for leading the safe and effective care agenda across the Trust.

The Governance Assurance Committee, on an annual basis, also undertakes a review of its effectiveness based on its Terms of Reference. This includes a section on attendance at committee meetings by members. The outcome of this work is reported to the Trust Board. The Committee also provides an Annual Report to the Trust Board at the year-end which provides assurances detailing that it is satisfied in respect of the reliability and integrity of the assurances received during the year and of their comprehensiveness in the meeting the needs of the Board and the Accounting Officer.

The Corporate Control and Safety, Quality Improvement & Innovation Committees both undertake an annual review of their effectiveness in line with their terms of reference which are

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presented to the Governance Assurance Committee. A formal presentation on the work of both committees is presented to the Governance Assurance Committee at the year-end about performance during the year and work plans for the incoming year.

The Hyponatraemia Implementation Oversight Group, chaired by the Medical Director, oversees the implementation of the recommendations arising from the Inquiry into Hyponatraemia Related Deaths and met on a bi-monthly basis during 2018/19. Regular reports in terms of the work of the group were submitted to the Safety, Quality Improvement & Innovation Committee, the Governance Assurance Committee and the Trust Board during the year. The Trust also participates in the Department of Health's programme of work in response to the Inquiry Report's recommendations.

Business Planning and Risk Management

Business planning and risk management is at the heart of governance arrangements to ensure that statutory obligations and ministerial priorities are properly reflected in the management of business at all levels within the organisation.

The Trust's business planning process is carried out in accordance with DoH guidance and results in the production of an annual Trust Delivery Plan (TDP). The plan is developed in response to the priorities set out in the Joint Commissioning Plan. Each Trust Director is accountable for delivering against the elements of the TDP that fall within his/her sphere of responsibility. A new Corporate Plan (2017-2021) was approved in May 2017. This is delivered on an annual basis by Directorates who compile their annual Directorate Management Plans which then form the basis of the annual Corporate Plan; all plans are closely aligned to the objectives and outcomes set out in the four year Corporate Management Plan. Monitoring of compliance with the Trust Delivery Plan is via the Operating Cycle. This is facilitated through enhanced integrated performance accountability arrangements which includes monthly Performance Monitoring and Improvement meetings for all Operational Directorates, regular reports presented to Finance and Performance Sub-Committee, Trust Board scorecard reports and Dashboard presentation and Bi-annual Chief Executive Accountability Review meetings with all Directorates. This also includes compliance with the governance, risk management and safety, quality and experience agendas.

The Trust actively scoped the potential impact of a 'No Deal' outcome from the UK-EU negotiations on the services it provides, in line with the information provided by the Department of Health. The process was continually updated and refined during the year as more clarity emerged on the detail of the final agreement.

South Eastern Health and Social Care Trust's capacity to handle risk and its risk and control framework

During 2018/19, the Trust continued to implement its Integrated Governance framework which links corporate governance and risk management (including organisational controls), safe and effective care (clinical and social care governance), and financial governance. A new three year Board Assurance Framework (2018/2021); Risk Management Strategy (2018/2021) were developed and approved by the Trust Board at its meeting on the 11 February 2019. A complementary Integrated Governance Strategy is also currently being developed. These documents continue to be embedded ensuring a cohesive and integrated approach to the key building blocks of governance and risk management. The continued focus of these documents was to strengthen and improve the existing systems of internal control.

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The Trust's extant Risk Management Strategy is based on the principles of ISO 31000: 2018 (Risk Management Guidelines). It is regularly reviewed on an annual basis by the Corporate Control Committee (taking account of problems and/or significant external developments that arise during the course of the year). It is updated on an annual basis (circa December each year).

This document is available for all staff via the intranet and details the clear chain of accountability for managing risk from the Accounting Officer downwards. The responsibilities of the Executive Management Team, Trust Board, Audit Committee, Governance Assurance Committee and other relevant committees and sub committees are clearly defined. The document includes the identification of the Trust's Risk Management objectives and the leadership, accountability and working arrangements for risk management through the formation of appropriate organisational structures. It also details the application of the Trust's risk matrix and a definition of acceptable risk. All risks, whether resulting from accidents, incidents, adverse events, hazard reports or any form of risk assessment must be graded in accordance with the risk matrix and entered on the appropriate risk register/s.

There is a clear method of risk identification using the risk assessment and risk register tools/methodologies and upward identification and reporting of risks. Risk appetite/tolerance levels are included within the risk strategy and risk matrix which clearly demonstrates how to escalate risks from department, Directorate and Corporate levels. All significant risks are assessed and ranked and action plans developed to mitigate the risk. A risk owner (manager) is assigned to each risk and has the authority to allocate actions to specific staff.

The strategy is delivered and embedded in the organisation through the work of the Corporate Control Committee and its supporting sub committees. In addition, Directorates in their individual Directorate Management Plans include a range of governance and risk management initiatives based on the Trust's high-level Governance priorities outlined in the Corporate Management Plan. There is regular risk management reporting at various levels within the organisation and these are managed primarily through the Planning, Performance and Accountability Framework. These plans are monitored via the performance management and accountability framework. Governance and Risk Management is a key standing agenda item monitored as part of this performance management process.

Reports on Directorate Risk Registers are submitted and discussed on a quarterly basis by the Corporate Control Committee. A similar process is in place for the Corporate Risk Register with the Governance Assurance Committee. Regular reports on the Board Assurance Framework and Corporate Risk Register were submitted to the Trust Board during the year. On 6 February 2018, the Executive Management Team reviewed the previous year's Corporate Risk Register and determined those items that would be closed off and those which would be carried forward into 2018/19 Corporate Risk Register. Following the conclusion of the meeting, it was agreed that:

- 14 of the existing 15 (previously 16 – one item closed mid-year) Corporate Risk Register (2017/18) topics should be carried forward into the 2018/2019 Corporate Risk Register with new action plans developed, as appropriate;
- Item 2119 (Shared Services) was remitted to HR & Finance Directorate Risk Register;
- All forms were reviewed for accuracy and updated for scoring, control measures and new action plans inserted, as appropriate;
- No new items added to register.

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A total of 14 items were on the Corporate Risk Register for 2018/2019. One new item – ID2541 (Transformation) was added to the Register in September 2018 (total of 15 items). There were a total of 55 action point items (across all 15 CRR pro-formas) and all items have been closed off as at 31 March 2019.

Employees are made aware of their own responsibilities for managing risk via a range of methods – corporate induction, departmental induction, specific risk management awareness and training courses specific to their job roles. Risk management organisational structures and reporting procedures are in place for verifying that key risk areas are regularly reviewed and reported on and that risk management has been fully incorporated into the corporate planning and decision making processes of the organisation. The Trust has a wide range of communication and consultation mechanisms in existence with relevant stakeholders, both internal and external.

Staff are trained and equipped to manage risk in a way appropriate to their authority and duties. Risk management support and guidance is made available to staff both in paper format and via the intranet. Managerial staff are clearly accountable for ensuring that appropriate guidance, support and training is available for all their staff. There is on-going training provided by both the Risk Management Directorate and other specialist advisers to embed risk management concepts and tools into everyday business.

During the year the main focus on risk management training was on General Risk Assessment, and Control of Substances Hazardous to Health (COSHH). A range of other training was delivered for e.g. Induction, Practical Manager, Incident Reporting, Complaints Training, Emergency Preparedness, and Information Governance courses. In addition, a number of additional training programmes were delivered during 2018/19:-

- IOSH Leading Safely (November 2018): H&S training for senior leaders in the organisation attended by all Trust Board members; and
- Pilot three-day IOSH Managing Safely (November /December 2018) aimed at operational managers equipping them with necessary to manage operational risks.
- Effective Written Responses to Complaints Training (March 2019) was held again which focussed on providing staff investigating complaints, with effective response writing skills;
- Serious Adverse Incident Training organised by HSCB/PHA (March 2019) which assisted Directorate staff in undertaking Level 1 & 2 Serious Adverse Incident including engagement with service users.
- Training session for the roll out of Datixweb Training aimed at incident reports, approvers and reviewers.

A range of other health and safety training was provided on an on-going basis by specialist advisers for e.g. fire, manual handling, display screen equipment and waste management, etc.

The Trust promotes an open, just, honest and participative culture in which errors or service failures can be admitted, reported and discussed openly. Incident reporting (including near misses) is the cornerstone of the risk management system. Trust staff are encouraged to undertake individual reporting of near misses, errors or mistakes, and to look critically at their own actions and those of their teams to ensure we can provide good quality services for our patients/clients, staff and visitors. Incident reporting is a key mechanism for quality improvement and is a key component of the governance programme.

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Reports of all Root Cause Analysis Reports and other relevant incidents are widely disseminated within the Trust (and outside, as appropriate) to ensure that all areas learn from other's mistakes. During the year the work of the Lessons Learnt Sub Committee, chaired by the Chief Executive, was further embedded in the organisation and provides assurance that lessons arising from incidents, complaints, litigation and other reports/review are truly embedded within all levels of the organisation.

The Trust's Incident Policies and Procedures are reviewed and updated on a regular basis.

There is regular consultation with key stakeholders and partners on risk for e.g., the Department of Health, Health and Social Care Board, Regulation Quality and Improvement Authority and the Northern Ireland Prison Service.

The last annual internal audit of the Trust's risk management and governance systems was undertaken in March 2019 - Satisfactory assurance was confirmed.

Information Risk

In terms of risks to information, the Trust has a well-established Information Governance Sub Committee (IGSC) which reports to the Corporate Control Committee. The continued role of the IGSC is to lead, co-ordinate and direct the strategic agenda with regard to Information Governance issues within the Trust. It also supports the Trust's corporate and Directorate objectives and ensures that risks in this area are regularly identified and addressed. Information risks are identified at all levels in the organisation and, where appropriate, are included on the Directorate and/or the Corporate Risk Register.

The Trust is a public sector information holder and is subject to the terms of the Freedom of Information Act, 2000. The Trust's Senior Information Risk Owner (SIRO) has provided formal assurance to the Department, through completion of the annual Department of Health Information Management assurance programme (formerly the Controls Assurance programme).

The Director of Human Resources & Corporate Affairs and the Personal Data Guardians (i.e. the Medical Director and Director of Children's Services & Executive Director of Social Work) are the Trust leads for ensuring compliance with the Data Protection Act 2018, the General Data Protection Regulation (EU) 2016/679 (GDPR) and the Code of Practice on Protecting the Confidentiality of Service User Information. The Director of Human Resources & Corporate Affairs is the nominated Senior Information Risk Owner (SIRO) and the Director of Planning, Performance & Informatics is the appointed deputy Senior Information Risk Owner. A Chief Clinical Information Officer (CCIO) has also been appointed. All Assistant Directors have been nominated to the roles of Information Asset Owner (IAO). The appointment of the SIRO and IAO were made under the direction of the Department of Health as a result of its Data Protection Reviews 2007/08.

The IGSC continued to roll-out a challenging programme of work during 2018/19 primarily based around the embedment of GDPR across the Trust. A number of training sessions were held for senior management to raise awareness of the GDPR. A detailed action plan (based on the regional Health & Social Care action plan) was developed and its implementation was overseen and endorsed by the IGSC.

In accordance with the 2018/2019 annual audit plan, the Business Services Organisation (BSO) Internal Audit carried out an audit of Information Governance – Data Protection

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(GDPR) compliance during November 2018. Internal Audit, whilst recognising and acknowledging the proactive steps that have been taken by the Trust in preparation for GDPR, cited Limited Assurance on the basis that additional work is required to review, re-design and implement mechanisms to identify all information assets owned by the Trust. The Trust has developed an action plan to take this work forward during 2019/20. The IGSC will oversee and monitor the progress of this action plan.

Each Directorate holds an extant information asset register (which will be reviewed in line with the audit finding) and in accordance with the IGSC's programme of work, each Directorate ensures that information risks are considered in conjunction with the Trust's Risk Management Strategy.

The Head of Information Governance continues to participate in the DoH Information Governance Advisory Group (IGAG) to ensure that the Information Governance agenda is focused to meet the needs of the DoH strategic agenda.

Staff are trained and encouraged to report all incidents including (Information Governance) incidents to ensure the Trust can investigate the reasons for an incident happening. The IGSC receives quarterly reports on all information governance incidents. In addition, all reported incidents of data loss or confidentiality breach in 2018/2019 have been assessed. While there were several small scale incidents, the impact was limited and procedures were put in place to address future risk in these areas. The Trust reported 7 incidents (including one FPS/BSO incident) to the Information Commissioner's Office (ICO) during this period. The ICO has concluded on all of their investigations and has taken no further action based on the prompt remedial works undertaken by the Trust.

In accordance with the ICO training audit (August 2017) the Trust, via its IGSC, reviews and monitors training compliance. As at 31 March 2019, the Trust had recorded a 79% compliance rate for staff having completed their mandatory Information Governance training.

Any issues specifically identified by the IGSC are managed via the Risk Management & Governance Risk Register or are escalated to the Corporate Risk Register, as appropriate. No issues were escalated during 2018/2019.

The Trust is also committed to ensuring the security of information held in electronic form in accordance with its ICT security Policy. The Trust is aware of the international risk of Cyber Security. Increased awareness has been a priority, and on 23 April 2018 a business continuity exercise entitled Siberia, was undertaken. This was a major desk-top exercise to test the resilience of plans and was widely supported by all professions across the Trust. As a result of this exercise, the Trust's Corporate Business Continuity Plan has been reviewed. The Corporate Risk Register includes a high level Cyber Security risk which was added as to the register in 2017/18.

Fraud

The Trust takes a zero tolerance approach to fraud in order to protect and support our key public services. We have put in place an Anti-Fraud Policy and Fraud Response Plan to outline our approach to tackling fraud, define staff responsibilities and the actions to be taken in the event of suspected or perpetrated fraud, whether originating internally or externally to the organisation. Our Fraud Liaison Officer promotes fraud awareness, coordinates investigations in conjunction with the BSO Counter Fraud and Probity Services team and provides advice to personnel on fraud reporting arrangements. Staff are provided with fraud awareness resources

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in support of the Anti-Fraud Policy and Fraud Response Plan, which are kept under review and updated as appropriate or every 5 years.

The Trust also has in place an Anti-Bribery Policy and an Anti-Bribery Response Plan which reinforces the Trust's zero tolerance approach to bribery and corruption and outlines the Trust's commitment to conduct all of its business in an honest and ethical manner through bribery and corruption prevention and the mitigation of specific bribery and corruption risks.

The Trust's Raising Concerns (Whistleblowing) Policy is the Trust's statement on 'Your Right to Raise a Concern', as agreed through the regional Task and Finish Whistleblowing Group. This Policy promotes a culture of openness and transparency, underpinned by an ethos of confidentiality and safety for those who speak up and provides specific, practical information as to how to raise a concern. The Raising Concerns Policy was launched in the Trust in June 2018. Information is available to staff on the Trust intranet system which includes the Policy, Toolkit and a Raising Concerns Hotline. Posters have been distributed across the organisation and training on the application of the policy has been carried out, including training of staff who will act as Advocates. The Trust strives to handle all concerns fairly, impartially and properly and to comply with the Public Interest Disclosure (NI) Order 1998.

Public Stakeholder Involvement

The Trust aims to ensure that those who use our services and their representatives have an opportunity to influence and shape policy and service delivery decisions. Our Personal and Public Involvement Strategy outlines our commitment to involving key stakeholders and their representatives in the development of our services. Service user engagement and involvement is mainstreamed into key policy development process.

The Trust regularly interfaces with public stakeholders, where appropriate, with regard to risks which impact on them, for example:

- Via the Directorate Risk Registers – these registers identify risks to the achievement of the overall objectives, including the provision of services, and the range of persons affected by specific risk issues. Summary information about both registers is presented on a bi-annual basis to the Public Trust Board.
- There are a number of sub committees aligned to the Trust's governance structures whereby both patients and clients attend and actively input to discussions about Trust specific issues i.e. the Personal & Public Involvement Sub Committee. The purpose of this committee is to ensure the Trust meets its statutory obligations regarding Personal and Public Involvement which would include any associated risk issues. In addition, there is also a Trust-wide User Forum and specific Service User Forums in operation across the Trust which also provide active platforms through which service users engage in decision making, feedback processes and associated risk issues.

Our Annual Report outlines other elements of our stakeholder involvement, and the above narrative should be read in conjunction with this.

The Trust has continued to gather and analyse patient experience stories as part of the regional 10,000 Voices project. In addition, Patient/client experience stories are provided at public sessions of the Trust Board and shared with managers and staff.

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Assurance

The Trust has an Assurance Framework (Sept 2018) updated on an annual basis which is based on the Department's Assurance Framework (April 2009). This framework provides a strong basis for effective challenge and better informed decision-making at Trust Board level. The framework helps the Trust to improve its systems of internal control. It does this by showing how the evidence for adequate control can be marshalled, tested and strengthened within the Assurance Framework. It forms part of a series of strategies and systems for improving and strengthening practices and governance arrangements so that safe and high quality health and social care are provided to all that need them.

The framework work sits alongside the Corporate Risk Register system and the Controls Assurance process, which underpins all aspects of the business of Health & Social Care (HSC) – clinical and social care, financial and organisational – and which supports the Trust's governance arrangements.

The commissioning and provision of health and social care services by the Trust requires quality assurance and risk management. They also require organisational governance, such as management of personnel, financial efficiency and systems efficiency, as much as clinical and social care governance; all the various elements of governance need to be managed and this is done via the Assurance Framework, Risk Management and Governance Strategies. These strategies are subject to annual review.

A key source of assurance is the reports from Internal Audit. The annual Audit Plan is based on key risks and systems within the organisation. The last annual Internal audit on Risk Management (March 2018) reported Satisfactory Assurance on the system of internal control for Risk Management.

Both the Audit Committee and Governance Assurance Committee provide an Annual Report to the Trust Board at the year-end both of which provide assurances detailing that they are satisfied in respect of the reliability and integrity of the assurances and of their comprehensiveness in the meeting the needs of the Board and the Accounting Officer. Furthermore, this information is used to demonstrate that a sound system of Internal Control is in place. In addition, other self-assessments such as the Board Governance Self-Assessment Tool, the NIAO Self-Assessment Tool for Audit Committees and Review of Effectiveness Reports completed by all Trust Board sub committees and other sub committees are used to assure the Trust Board as to the quality of work provided by respective sub committees.

The Trust formerly had in place robust arrangements for the management of the former Controls Assurance standards (22 in total) up to 31 March 2018; the programme ceased to operate on 1 April 2018 as per direction from the Department. During 2018/19, the Trust actively engaged with DoH Policy Leads to develop proportionate alternative arrangements for the management of the former standards. The former Project Team (now known as the Organisational Controls Assurance Project Team) remained in place. This is chaired by the Director of Human Resources & Corporate Affairs, supported by the Assistant Director, Risk Management & Governance as the Project Manager. During the year the team developed appropriate transitional arrangements and an alternate model for the management of the former 22 organisational controls standards. An audit of these arrangements were undertaken by Internal Audit in March 2019 and the Head of Internal Audit confirmed that the processes adopted by the Trust during 2018/19 were adequate to provide appropriate assurances internally in the Trust and onwards to the Department of Health, in the areas previously covered by the former Control Assurance Standards..

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Sources of Independent Assurance

The South Eastern Health and Social Care Trust obtains Independent Assurance from the following sources:

Internal Audit

The South Eastern Health and Social Care 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 2018/19 Internal Audit reviewed the following systems:

Audit Area	Level of Assurance*
Payments to Staff (specifically focusing on the Adult Services Directorate)	Limited
Non Pay Expenditure (specifically focusing on the Primary and Elderly Services Directorate)	Satisfactory
Self-Directed Support (including Direct Payments)	Satisfactory
Estates Procurement & Contract Management	Satisfactory
Management of Client Monies in Independent Homes	Satisfactory – 4 out of 5 independent homes visited Limited – 1 out of 5 independent homes visited
Compliance with DoH Permanent Secretary's Instructions Regarding Travel	Limited
Management of the Early Interventions Transitions Project (Children's Directorate Risk Audit)	Satisfactory
Mortality & Morbidity	Limited
Risk Management	Satisfactory
Information Governance –Data Protection (GDPR)	Limited
IT Audit – Cyber Security: Network Security and Home & Mobile Working	Limited

* Internal Audit's definition of levels of assurance:

Satisfactory: Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.

Limited: There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.

Unacceptable: The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.

Internal Audit provided limited / partially limited assurance within the following areas:

- Payments to Staff

Limited assurance was provided on the basis that improvements were required in the accuracy and adherence to the authorisation framework, completeness of Staff in Post checks and

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consistent adherence to the AFC handbook in a number of areas. Work is currently ongoing within the Trust to address the areas highlighted in the report.

- Management of Client Monies in Independent Homes

Whilst this report was issued with satisfactory assurance for the majority of (4 out of 5) Homes visited, Internal Audit provided limited assurance in respect of a pooled mobility account in 1 out of 5 Home visited.

- Compliance with DoH Permanent Secretary's Instructions Regarding Travel

Limited assurance was issued on the basis that 34% of all reviewed trips outside Ireland and Britain in the period April 2017 to April 2018, were not appropriately approved (before travel booking). The vast majority of overseas travel related to medical staff which had been approved by a Clinical Director however whilst this approval was generally received before travel, it was not consistently prior to travel booking, as requested by the Permanent Secretary. Although the Trust have not used the regional framework travel booking provider for the majority of travel, travel booked by individuals appeared reasonable. Work is completing within the Trust to issue an internal Travel Policy to address the areas highlighted.

- Mortality & Morbidity

Internal Audit provided limited assurance in respect of compliance with the Mortality and Morbidity processes (specifically mortality). Limited assurance was provided on the basis that, whilst M&M processes are in place, the required timescales for Consultant review and discussion at M&M groups is not consistently followed and some deaths have not been reviewed or discussed at M&M meetings as required, and the process is not yet capturing learning in a consistent and effective manner. Work is being undertaken to develop an action plan to address the recommendations locally. It is important to note that some of the recommendations will require regional coordination and consideration, and input from the Department of Health, particularly those that pertain to the Regional Morbidity & Mortality Review system on the Northern Ireland Electronic Care Record.

- Information Governance –Data Protection (GDPR)

Internal Audit provided Limited assurance in relation to Information Governance - GDPR compliance within the Trust. Whilst providing limited assurance was clear that the Trust has taken proactive steps to prepare for GDPR. i.e. governance structures have been established, action plans developed and monitored, a Data Protection Officer appointed, privacy notices developed, lawful basis determined and guidance developed to ensure appropriate use of Data Protection Impact Assessments. Whilst recognising the action that has been taken, limited assurance was provided on the basis that work is needed to review, re-design and implement mechanisms to identify all information assets (sources and systems) owned by the Trust. These assets should then be included in GDPR-compliant Information Asset Registers (IARs). This work is ongoing and part of an internal action plan within the Trust.

- IT Audit – Cyber Security: Network Security and Home & Mobile Working

Internal Audit provided Limited assurance in relation to Network Security and to Home and Mobile Working.

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The Trust is an active member of the Regional Cyber Security Programme board. This board is the forum to discuss, design and agree regional standards around security. The Trust is committed to increasing its Cyber Security posture, however this must be performed in collaboration with all Health and Social Care organisations. In order to provide the required focus on delivery of the recommendations, the Trust is recruiting a dedicated Cyber Security team to work in this area. The new appointments are planned for May 2019.

Consultancy / Non-Assurance Assignments

- Assurance Processes Post Controls Assurance Standards:

Internal Audit undertook a high-level review of the processes established within the Trust to monitor compliance with the required standards, policies, legislation etc. previously contained within the Controls Assurance Standards and the process for providing assurance on this to the Chief Executive and the Board (and onwards to DoH in the tailored format they have requested). Internal Audit concluded that the processes adopted by the Trust during 2018/19 are adequate to provide appropriate assurances internally and onwards to DoH, in the areas previously covered by the former Control Assurance Standards.

Follow-up on previous Recommendations

A review of the implementation of previous priority one and priority two Internal Audit recommendations was carried out at mid-year and again at year-end. At year end, 178 (69%) of the 259 recommendations examined were fully implemented, a further 76 (29%) were partially implemented at the time of review and 5 (2%) were not implemented at the time of review.

It was noted that of the 5 recommendations not implemented, 1 Priority one recommendation and 3 Priority two recommendations are partially dependent on another HSC organisation to allow full implementation. Also, of the 76 recommendations partially implemented 7 Priority one recommendations and 25 Priority two recommendations are partially dependent on another HSC organisation to allow full implementation.

Shared Services Audits

A number of audits (summarised below) have been conducted in BSO Shared Services, as part of the BSO Internal Audit Plan. The recommendations in these Shared Service audit reports are the responsibility of BSO Management to take forward and the reports have been presented to BSO Governance & Audit Committee.

Shared Services Audit	Level of Assurance
Payroll Shared Service – as at September 2018	Limited
Payroll Shared Service – as at March 2019	Limited
Payments Processing in Accounts Payable Shared Service	Satisfactory
Recruitment Shared Service	Satisfactory
Business Services Team (BST)	Satisfactory

Internal Audit provided Limited Assurance in relation to the Payroll Service Centre (PSC). Improvements in control have been made since the last audit, specifically in the areas of variance monitoring, PSC structural review and the management of historical overpayments. However, significant previously reported issues remain in respect of development of PSC

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knowledge and capacity and written procedures; management of overpayments (although improved); legacy HMRC issues; customer relationship management; and employer superannuation system calculations. Specific focused testing in the current audit has also highlighted significant issues with the control environment around timesheet processing and sickness payments.

Overall Opinion

In her annual report, the Head of Internal Audit provided the following opinion on the Trust's system of internal control:

*Overall for the year ended 31 March 2019, I can provide **Satisfactory** assurance on the adequacy and effectiveness of the organisation's framework of governance, risk management and control.*

Although I am content to provide overall Satisfactory assurance, it is important to note that Limited assurance has been provided in a number of areas, most notably in Payments to Staff and Cyber Security. I note that the Trust has fully implemented just 69% of its outstanding audit recommendations at year end.

Counter Fraud and Probity Services

During 2018/2019, ten cases of suspected fraudulent activity were reported within the Trust. Seven cases were successfully brought to a conclusion during the year, and the remainder are under investigation.

In keeping with the position set out in the Trust Fraud Policy Statement, SEHSCT will not accept any level of fraud within the organisation. As such, where fraudulent activity has been proven, the Trust will rigorously pursue the recovery of public funds lost through such activity, and will seek to take action against the perpetrators of fraud where possible.

All identified suspected and actual frauds within the Trust are reported to the Audit Committee, BSO Counter Fraud and Probity Services and relevant Public Bodies.

Other Sources of Independent Assurance

The Trust also receives independent assurance from the following bodies:

- External Audit Opinion on annual accounts – External Audit provide an independent opinion on the accounts to the Northern Ireland Assembly. Any control weaknesses or added value issues that are identified, in the course of conducting the external audit, are communicated to the Audit Committee in the Report to Those Charged with Governance;
- Regulation and Quality Improvement Authority – On the extent to which the services provided by the Trust, or those commissioned from third party providers, comply with applicable quality standards;
- Annual BSO Assurance Letter in respect of the services provided by BSO;
- Social Services Inspectorate for older people and children's services;
- Medicines and Healthcare Products Regulatory Agency (MHRA) through regular inspections and reports;
- General Medical Council (GMC), General Dental Council (GDC), NI Medical and Dental Training Council (NIMDTA) and various Royal Colleges;

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- Various self-assessments regarding Board business, for example, Board Governance Self-Assessment Tool, NIAO Self-assessment checklist regarding the Audit Committee;
- Annual report to the Trust Board by the Audit Committee at the year-end providing assurances to the Trust Board that it is satisfied in respect of the reliability and integrity of the assurances received by the Committee during the year and of their comprehensiveness in the meeting the needs of the Board and the Accounting Officer;
- Annual report to the Trust Board by the Governance Assurance Committee at the year-end providing assurances to the Trust Board that it is satisfied in respect of the reliability and integrity of the assurances received by the Committee during the year and of their comprehensiveness in the meeting the needs of the Board and the Accounting Officer;
- Reports of the Review of Effectiveness by Board Sub Committees to the Trust Board – Audit, Charitable Funds, Finance & Performance and Governance Assurance.

The Board assures itself on the quality of the information which comes to it through the following methods:

- Feedback from Directors (via Assessment of skills, etc.) on whether information meets their needs;
- Open debate, via Workshops, on level of detail, format, coverage and prioritisation of papers to Trust Board;
- Use of Patient Stories to confirm/assure on standard of services;
- Internal Audit assurance on Finance (and other) information;
- External Audit opinion on Annual Accounts.

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 system of internal governance is informed by the work of the internal auditors and the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the relevant internal mechanisms, Audit Committee and the Governance Assurance Committee (supported by the Corporate Control Committee and the Safety, Quality Improvement & Innovation Committee), and a plan to address weaknesses and ensure continuous improvement to the system is in place.

The Trust has a robust system of internal control in place within the organisation that supports the achievement of the policies, aims and objectives of the organisation. It is built on a comprehensive set of committees covering all aspects of governance including clinical and social care governance, risk management (including organisational controls) and financial controls.

The Trust Board regularly considers reports contained in the Assurance Framework/Corporate Risk Register faced by all areas within the Trust. This report contains information on levels of assurances, gaps in assurances and controls and actions plans to mitigate any shortfalls.

The Audit Committee met on 4 occasions during 2018/19 and regularly considered the effectiveness of internal controls. It approves and endorses the Internal Audit programme of work which is risk based. Regular progress and follow up reports are provided to the Audit Committee. The Audit Committee provides an Annual Report on the effectiveness of the Committee to the Board. It also receives the Head of Internal Audit Opinion and recommends

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approval of the draft Governance Statement to the Board. In addition, it reviews progress on implementing internal and external audit recommendations.

The Governance Assurance Committee also met on 4 occasions during 2018/19 and considered the effectiveness of the Trust's governance arrangements. The Chairman of this Committee is a member of the Audit Committee. Likewise, the Audit Committee Chairman sits on the Governance Assurance Committee. This committee reports to the Trust Board on a quarterly basis and provides assurances on all aspects of Governance (except financial controls). The Governance Assurance Committee provides an Annual Report on the effectiveness of this Committee to the Board.

The Audit Committee is responsible for the financial systems of internal control, and oversees the work and outputs of Internal Audit. It also reports directly to the Trust Board. The Corporate Control and Safety & Quality Committees and their associated committees form the main strands within the governance framework for the delivery of governance and risk agendas and report to the Governance Assurance Committee.

Non-Executive Directors sit on all Board Sub Committees (Audit, Charitable Funds, Finance & Performance, Governance Assurance and Remuneration) and the Corporate Control and Safety, Quality Improvement & Innovation Committees. The minutes of all Board sub committees are shared with the Trust Board and the respective parent Committee.

The Trust completed its self-assessment of the Board Governance Self-Assessment Tool which was approved by Trust Board on 20 March 2019. An action plan has been developed to address any areas of non-compliance.

The Trust has in place a process for reviewing receipt of external reports/inquiries to ensure that lessons are learnt and actions implemented, as necessary. Following a recent Internal Audit Report, it is intended to further strengthen these arrangements.

An Internal Audit programme was agreed at the outset of the year and its work plan was informed by an analysis of risk to which the Trust was exposed. The Audit Committee agreed the internal audit plan for period April 2018 to March 2019 at its meeting on 3 May 2018.

The Board Secretary maintains a Register of Declaration of Interests and Register of Interests which is reviewed on annual basis (or sooner, if changes are notified by Board members) and is published on the Trust's website. In addition, Board members provide an annual statement confirming compliance with the Code of Conduct and Accountability.

In conclusion, as Accountable Officer, I am satisfied by the assurances provided by the Annual Reports of the Audit Committee and the Governance Assurance Committee in respect of the reliability and integrity of the assurances provided by both Committees and of their comprehensiveness in meeting the needs of the Board and the Accounting Officer. Furthermore, I am of the opinion that the assurances available are sufficient to support the Board and the Accounting Officer in the decisions taken by them and in their accountability obligations and that a sound system of Internal Control is in place.

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Internal Governance Divergences

Update on prior year control issues which have now been resolved and are no longer considered to be control issues:

- Capital Resourcing 2017/18

The Trust previously reported on the reduced Capital Funding for maintaining essential services for 2017/18. Further allocations were received during the year, and the Trust has received an increased allocation of £6.2m for 2018/19, an increase from £4.68m in 2017/18. The Trust will continue to prioritise its capital to areas of risk and service priority, and will continue to lobby for more capital resources.

Update as at 31 March 2019: As at 22nd March 2019, the Trust has received £10.122m general capital for 2018/19, an increase of £2.5m in the last two quarters of the financial year, thereby addressing the highest risk areas. The Trust's general capital funding has increased from £6.3m in 2017/18 to £10.122m in 2018/19, an increase of £3.8m. In addition, the DoH has issued the Trust's 2019/20 Initial CRL allocation, which includes a positive opening general capital position of £8.040m.

- Lakewood RQIA Inspection Report

The Trust previously reported on RQIA inspection reports (2015/16) and on staffing pressures. The failure to comply notices were lifted in 2016/17 (February 2017). During 2017/18 the staffing levels have continued to be fragile (due to sickness and vacancies). With support from the wider Health & Social Care system, the number of children placed in Lakewood reduced in early 2017/18.

Lakewood became more stable during 2017/18, with the numbers of children placed returning to commissioned levels. The Trust welcomes the DOH commissioned review of secure care for 2018/19 to be led by HSCB in collaboration with Trusts and other stakeholders.

Update as at 31 March 2019: The recovery plan for Lakewood was successfully implemented and the regional facility has returned to, and sustained, normal practice. Inspections by RQIA identify the Regional Facility to be operating a good standard of practice in a very challenging environment with only minor issues identified in all seven of the inspections carried out this year.

- Cardiology

The recent changes to Cardiology medical cover at the Downe Hospital have led to a review of cardiac provision there, to ensure that all patients with cardiac conditions receive the same high standard of cardiology care across the South Eastern Trust. Since the retirement of the Downe Consultant Physician with Cardiology interest in October 2016, it had become increasingly difficult to safely sustain acute cardiology inpatient care there. Attempts to recruit a physician with dual accreditation in Medicine and Cardiology on a permanent or locum basis to the Downe Hospital have been unsuccessful. While the Trust is doing everything to maintain cardiology services at the Downe Hospital as safely as possible there is a need to move more acute cardiac patients to sites where specialist input can be guaranteed.

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Update as at 31 March 2019: It remains the case that the Trust will not receive approval from the Royal College of Physicians to appoint a single handed cardiologist based in the Downe. The Trust has, however, been able to appoint a consultant to the cardiology team based in the Ulster Hospital, who delivers a weekly cardiology clinic in the Downe. While this addresses the out-patient element of the service, it does not provide the cover needed to safely manage a broad spectrum of acute cardiology conditions as in-patients in the Downe. While the numbers are small, where appropriate, patients are now transferred to where the specialist input can be guaranteed to ensure that they receive the same high standard of care as other patients in the Trust.

Update on prior year control issues which continue to be considered control issues:

- Meeting and Resourcing the Increased Demand for Services and Ulster Hospital Emergency Department Services

The Trust previously reported on the need to address capacity to safely provide services in the Ulster Hospital. Significant progress has been made in reduction of delayed discharges for South Eastern Trust residents, however demand continues to increase, capacity issues remain and some patients continue to wait longer than 12 hours in the Emergency Department. An independent bed modelling exercise identified capacity gaps.

Update as at 31 March 2019: The Trust has implemented its Resilience Plan for Winter 2018/19 to facilitate additional patient flow (in both hospital and community), with a number of schemes funded to end of March 2019. These included opening a 19 bed Transition Unit to free up acute capacity for patients requiring emergency admission, ambulatory care services, increased community capacity, enhanced 7 day working and improved patient flow processes.

These schemes have been mostly effective over the winter, however recruitment and retention remain significant challenges in this area and therefore has limited the potential benefit of the Transition Unit, as the increase in beds has been offset by bed closures elsewhere. Through Transformation funding, the Trust has increased the operational managerial team, and increased, in both scale and scope, the ambulatory models of care. This work has been effective in preventing our bed capacity challenge from increasing further, however has not reduced the overall bed capacity shortfall, currently 70 beds. This can contribute to waiting times for emergency services.

The Trust believes the current level of activity cannot be continued into the longer term, without new services/capacity being commissioned. The current capacity gap will need to be addressed over the next period. The Trust will continue to work with DoH and HSCB to identify innovative ways of addressing the demand / capacity gap. A key constraint is the ability to recruit and retain additional staff.

The Acute Services Block, currently under construction on the Ulster Hospital site, has been designed flexibly to provide additional inpatient accommodation. The Trust met with DoH in April 2019 and secured approval to progress the completion of an addendum to the approved business case to increase inpatient beds. The Trust view is that this is critical to meet current demand and rectify the inpatient bed deficit on the Ulster Hospital site, as both unscheduled and elective care provision is greatly compromised.

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- Ageing Condition of the Estate

The Trust previously reported the range of increased risks associated with the age of the Estate (particularly the Ulster Hospital). These range from the risk of infections such as Pseudomonas/Legionella and other water borne infections, to concrete cancer, fire, electrical and sewage risks. The age, condition and layout of the older estate also hinder a fully robust approach to the eradication of Healthcare Acquired Infections.

The above risks will remain until the completion of the full Ulster Hospital Phase B Redevelopment. The first phase of this, the new Inpatient Ward Block, was completed in March 2017. A phased opening commenced in March 2017 and in 2017/18 288 inpatient beds transferred to the new facility, the remainder of the facility became operational in the summer of 2017. Construction of the second phase, the Acute Services Block commenced in April 2016, this facility will provide a new Emergency Department and specialist inpatient wards and will remove inpatient facilities from the existing main ward block.

The Trust continues to prioritise capital funding to address the condition of the Retained Estate at the Paediatrics, Outpatients, Main Entrance and Radiology at the Ulster Hospital. These buildings, designed in the 1960's and constructed in the 1970's, must continue in use for the short to medium term until the long term Phase C Development is funded and completes the redevelopment programme of the Ulster Hospital as the Trust's single acute Hospital.

In respect of Mental Health inpatient accommodation, during 2015/16 the Trust escalated its concerns regarding the current inpatient mental health accommodation at the Ulster, Downshire and Lagan Valley Hospital sites. The rationalisation of acute mental health inpatient accommodation was subsequently included as the key major capital project for the Trust in the November 2015 Capital Plan and first priority in the Trust's 10 Year Capital Priorities Review 2019-2019. The Trust vision is to move from 3 Mental Health inpatient Units to 1. Due to lack of funding, this new facility has not yet been advanced. The Trust has attempted to identify and mitigate risks in the interim including alterations to the current environment, reduce risks associated with ligature points and workforce measures. There has been increased pressure on Mental Health Inpatient beds, which increases the need for the new build.

The Mental Health Inpatient capital business case to support a new build facility was originally submitted to the DoH in late 2012. The Trust has responded to DoH queries several times since that time. In early 2018, due to the time delay in securing final DoH approval for this case the Trust subsequently updated the Business Case further to reflect risks associated with isolated and dispersed wards, the future service delivery requirements with changes to bed numbers and accommodation requirements. The Trust continues to work with the DoH to address risks to manage services in the interim period.

The Trust will continue to prioritise the various community properties in terms of risk and allocate funding on these priorities. This will see capital funding allocated to Mental Health, Children's Homes and Residential Homes to address ageing condition and high environmental risks.

Update as at 31 March 2019: The Department's Top Management Group has met to agree the next steps in relation to the progression of the new Acute Mental Health Facilities. South Eastern Trust has been given permission to progress to CPD-HP Stage 1 Design subject to

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the necessary business case approval and commissioner support being in place. The Trust is currently awaiting Commissioner support and, once received, the Trust will re-submit the business case to DoH, which is hoped to be early Summer 2019. The Trust is also bringing forward interim proposals, within delegated budget levels, to physically separate its Psychiatric Intensive Care Unit from Low Secure and Rehabilitation Services. These services are currently provided within the one ward. It is anticipated that this proposal will have revenue consequences particularly in relation to additional staffing.

The second phase of the Ulster Hospital Phase B Redevelopment project, the Acute Services Block, is currently under construction and is planned to open to patients in May 2020. The final phase of the Phase B Redevelopment is to demolish the existing main ward block to address the risks associated with this building. The Trust advised DoH in April 2019 that there has been increased demand at the Ulster Hospital for inpatient services and that this is expected to grow in the future. As a result, the Phase B project does not currently provide enough inpatient beds to enable the planned demolition of the existing Ward Block to progress. DoH has given support for the Trust to complete an addendum to the approved Phase B business case to consider options to address inpatient capacity. This addendum's preferred option is to provide 53 additional inpatient beds in the Acute Services Block along with other retained estates conversion works to facilitate the demolition of the Existing Ward Block and ultimately complete the project in due course. This will be subject to DoH approval and funding. In the interim period, the Trust will prioritise capital funding to address the condition of its estate.

With regard to other areas of the Trust's estate, the risks inherent within the Trust's aging estate continue to be an important issue and are raised through the Estates submission to the Trust's Corporate Risk Register. These have been carried into 2019/20 submission. These risks can be summarised as legionella and other water borne organisms within the water systems, sewage and drainage issues recently highlighted at Lagan Valley Hospital, the paediatrics block and the re-occupying of the existing ward block at UHD, aging mechanical and electrical services throughout the Trust estate and the continued issues in ensuring fire safety is both managed and that new buildings are designed to applicable fire safety regulations and guidance.

- **Prison Healthcare**

The Trust previously reported on the challenges (in conjunction with the NI Prison Service) of providing healthcare within the Prison Service. These related to staffing challenges, tensions between Security and Healthcare, and Pharmacy regimes. Whilst much work has been done in this service area, many challenges remain, one of the biggest being the impact of the prison regime on delivery of healthcare and the ability to recruit and retain permanent staff within Prison facilities. The Trust will continue, throughout 2018/19, to reduce reliance on Agency staff and address vacancies.

Update as at 31 March 2019: The Trust continues to rely on Agency staff in Prison Healthcare, however a series of actions have been taken to continue to attempt to reduce reliance on non-Trust staff. The recruitment of nurses continues to be a challenge. It is hoped that the regional nurse bank incentive project will address this issue regionally. In addition, the Department of Health are to commence a further regional workstream to reduce agency spend. A new model for Medicines Management has been developed and a recruitment process is under way for Medicines Management Technicians. This will improve patient safety and create space to develop the nursing role to engage in public health initiatives. Prison Healthcare staff remain the subject of a threat assessment (in common

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with other staff working in Prisons). Prison Healthcare staff, unlike all other staff located in prisons, do not receive an Environmental Allowance. The Trust submitted a business case to DoH to introduce an Environmental Allowance for Prison Healthcare staff. The DoH has indicated that they are aiming to expedite a response to the business case. The Trust anticipates a response imminently. It is anticipated this would improve both recruitment and retention of staff.

- Lagan Valley and Downe Hospitals Emergency Departments

The Trust previously reported on the significant challenges associated with Medical staff availability in the aforementioned Hospitals. From 9 January 2014, as a result of the difficulties in recruitment of middle grade doctors, the Trust had to temporarily close the Emergency Departments of Lagan Valley and Downe Hospitals during weekends. The Trust has been working closely with neighbouring Trusts, HSCB and DoH to mitigate the impact of this change for local communities.

Mitigation measures implemented include:

- Additional GP input to increase direct access;
- Additional nurses redeployed to Ulster Hospital;
- Additional beds opened in Lagan Valley Hospital;
- Additional beds in neighbouring Trusts;
- Increased NI Ambulance input;
- Further recruitment campaigns (unsuccessful).

The Trust has not been able to attract Middle Grade Emergency Department (ED) staff despite a number of recruitment exercises and engaging recruitment agencies. However, the Trust has managed to secure the services of two Locum Consultant appointments who covered vacant shifts at both Lagan Valley and the Downe (as well as some shifts at the Ulster). One of these locums left the Trust at the start of this calendar year. The Trust has also appointed additional permanent Consultant posts, primarily to cover vacancies at the Ulster, who will also cover shifts at our local hospitals. Whilst these actions have provided a level of stability for the immediate future the Trust is still greatly concerned about the viability of both units, given the continued reliance on locums.

Update as at 31 March 2019: The Trust will be recruiting against consultant vacancy in April 2019, which will provide senior medical cover for Lagan Valley and Downe Hospitals. This will still leave a small number of rota gaps for consultants on both sites. Despite attempts to recruit, we still have vacancies, and a workforce shortfall at middle grade and SHO level on both sites, which means the Trust still has significant reliance on locum cover. The Trust is exploring a number of options, including international recruitment of long term locums, and alternative employment opportunities, for example clinical fellow roles, to bolster overall workforce plans.

- Business Services Transformation Project

The Trust previously reported on challenges to the proposed implementation of the Finance and Human Resources System and Shared Services. New Finance systems and Income and Payments Shared Services have stabilised and are delivering project benefits. The Prompt Payment of Invoices target, of 95% of invoices paid within 30 days, whilst improving was not being met. Payroll Shared Services continue to experience challenges. The Trust

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continues to be concerned that the introduction of Shared Services will not generate the required savings for South Eastern Trust.

Whilst BSO continue to receive Limited Assurance in respect of the Payroll Shared Service Centre, it should be noted that the previous Unacceptable assurance issued in relation to the Payroll System and Function Stability has now been raised to Limited. This takes account of improvements in respect of Overpayments identification, calculation, notification and reporting. Internal Audit also acknowledged progress on the activities within the three work streams of the Payroll Improvement Project to improve the control environment. It is important to note, however, that these issues have not been fully resolved and continue to impact on Payroll Function Stability.

The Payroll Customer Assurance Board continues to oversee the three work-streams of the Payroll Improvement Project and the Trust is working closely with other HSC customers to provide support to BSO in addressing the ongoing issues.

Update as at 31 March 2019: The Trust has made progress in achieving, and exceeding, the 30 day prompt payment of invoices target in the latter months of the financial year and will endeavour to continue to maintain the successful achievement of this target.

The Trust continues to work with Payroll Shared Services on a range of issues, including the 2018/19 Agenda for Change pay award, the associated HSC Pension Banding Reviews, production of P11Ds for employees and has initiated a joint improvement project relating to the treatment of Car Leases. The Trust is cognisant of the limited assurance provided by Internal Audit on the Payroll Shared Service function and will continue to participate in the range of Trust and regional fora to oversee the Payroll Shared Services improvement workstreams. These fora have continued to meet in 2018/19, and the Trust will continue to engage with, support and monitor progress on these workstreams, along with associated plans to achieve stabilisation and a satisfactory assurance level for Payroll Shared Services. It is anticipated that this may take a further 1-2 years.

- Increased Demand for Cancer Services

The Trust previously reported on Increased Demand for Cancer Services. Significant work has been done on this, and additional non-recurrent resources have been identified. The target to have 95% of patients begin their treatment within 62 days of referral continues to be a challenge due to the increases in referrals.

The ability to meet ever increasing demand will require expansion of a number of clinical teams. The Trust will continue to work with HSCB and DoH colleagues to identify the additional resources/capacity to address this issue.

Update as at 31 March 2019: The 62 day target remains a challenge for the Trust and no additional funding has been identified to address the resource issue, given the challenging financial climate for Health & Social Care NI. This issue of performance against the target in this area is unlikely to improve, and may further worsen, unless significant financial investment is progressed regionally.

- Childcare Pressures

The Trust previously reported a range of childcare pressures. In respect of the investigations of historical allegations in relation to staff previously employed in Rathgael, the Historical

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Institutional Abuse enquiry has now reported. The Trust directed additional resources to co-operate fully with the Historical Institutional Abuse Inquiry whilst it was sitting, particularly around searches for records both on individual children and corporate governance. Whilst the Inquiry has reported the Trust has decided to continue to suspend destruction of records as these may be needed when the Redress Board is established in line with the advice received from the HSCB.

The Trust continues to allocate all Child Protection referrals received. A waiting list has arisen for unallocated family support cases. The Trust has utilised non-recurrent funding from the HSCB to allocate a number of cases on this waiting list.

The Trust has contributed to the HSCB review of specialist regional child care facilities and the HSCB review of residential care and identification of alternative placement options.

Update as at 31 March 2019: The Trust continues to suspend the destruction of records in line with advice received from the HSCB. There has been an improvement in number of unallocated family support cases which currently sits at 95 (as at 31 March 2019). Childcare pressures continue as the sustainability of this improvement cannot be assumed given that over the same reporting period the number of Children that the Trust looks after has increased significantly. The Trust's fostering service continues to operate under significant pressure in light of the increase in numbers of Looked after Children.

- Financial Breakeven Requirement and Financial Challenges

While the Trust achieved a breakeven financial position in the year to 31 March 2018, it is important to note that this was achieved following the receipt of significant non-recurring funding, one off contingency measures, expenditure reductions and planned in year slippage on investments. As a result the Trust is aware of the underlying recurrent funding pressures, which, coupled with further in-year emergent pressures, ensure that significant budgetary challenges would continue into 2018/19.

The outlook for 2018/19 indicated that the capital and revenue resources would be increasingly constrained. The Trust has worked closely with the HSCB and Department to financially plan for 2018/19. In December 2017 the Department of Finance published a briefing document on the Northern Ireland Budgetary Outlook illustrating the choices that might need to be made to set a budget and steps that may need to be taken to address the pressures in public services. On 8th March 2018 the Secretary of State for Northern Ireland announced a budget for 2018/19.

Across the HSC sector it is expected that the significant financial challenges faced will intensify and extensive budget planning work to support the 2018/19 financial plan took place between the Trust, HSCB and the Department of Health. As with other financial years, the Trust remains committed to achieving financial break even. The Financial position of the Trust continues to be a challenge.

The Northern Ireland Assembly was dissolved from 26 January 2017 with an election taking place on 2 March 2017, on which date Ministers ceased to hold office. An Executive was not formed following the 2 March 2017 election. As a consequence, the Northern Ireland Budget Act 2017 was progressed through Westminster, receiving Royal Assent on 16 November 2017, followed by the Northern Ireland Budget (Anticipation and Adjustments) Act 2018 which received Royal Assent on 28th March 2018. The authorisations, appropriations and limits in these Acts provide the authority for the 2017-18 financial year and a vote on account for the

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early months of the 2018-19 financial year as if they were Acts of the Northern Ireland Assembly.

The Trust submitted a breakeven Trust Delivery Plan to its September 2018 Trust Board meeting. This included a small gap of £750k which the Trust has been working on to resolve over the second half of the financial year. The Trust engaged in a regional scoping exercise to identify additional measures to address the significant pressure across the NI HSC system, and South Eastern Trust are fully contributing to this.

Update as at 31 March 2019: The Trust is reporting a financial breakeven position (subject to external audit) for 2018/19, with a small overall surplus of £88k. This represented a surplus on ring-fenced "Transformation" funding of £34k and a £54k surplus on core funding. Whilst the Trust achieved financial breakeven during the year, it is important to note that this achieved following the receipt of significant non-recurring funding, one off contingency measures, expenditure reductions and planned in year slippage on investments. There remains significant financial pressures for the Trust moving into 2019/20 and beyond. The Trust will continue to engage with the Commissioner and Department of Health in this regard.

In the continuing absence of an Executive and a sitting Assembly the Northern Ireland Budget Act 2018 was progressed through Westminster, receiving Royal Assent on 20 July 2018, followed by the Northern Ireland Budget (Anticipation and Adjustments) Act 2019 which received Royal Assent on 15 March 2019. The authorisations, appropriations and limits in these Acts provide the authority for the 2018-19 financial year and a vote on account for the early months of the 2019-20 financial year as if they were Acts of the Northern Ireland Assembly.

- Recruitment of Health and Social Care Staff

The Trust, along with other HSC organisations, continues to face real challenges in the recruitment of key health and social care professional staff. This has created high levels of vacancies (for Nursing and Medical posts particularly) which has had a significant impact on the delivery of front-line services.

The Trust continues to work with our partners to source staff, including participating in campaigns outside Northern Ireland. The Trust will review the impact of this approach during 2019/20 to decide on whether it continues with future campaigns. Whilst these activities may have had a positive impact in some areas, the Trust continues to experience high levels of vacancies. Thus the use of International Recruitment will continue in 2019/20.

Update as at 31 March 2019: The Trust continues to experience high levels of vacancies and the International Recruitment campaigns will continue. The current contract with the provider is being closely monitored by the DoH Workforce Unit to ensure compliance. The Contract is up for renewal in December 2020 and the DoH will during 2019/20, in conjunction with employers, scope alternative approaches to maximise supply.

- Domiciliary Care

During 2016-17 BSO Counter Fraud and Probity Services completed a regional review of Trusts' operation of HSC domiciliary care contracts with independent sector providers (ISPs). All Trusts provided an assurance that they were examining the findings of the regional report, reviewing their existing contracts, and would implement improvements as necessary.

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A Departmental Oversight Scrutiny Committee (OSC) was established in 2017 to oversee any necessary action. The OSC is led by senior Departmental officials, and has senior representation from the HSCB and Trusts. The regional counter fraud review found variations in relation to the hours paid and Trusts are either finishing or have finished a verification of the findings to cross validate the regional review. A further regional exercise concluded that service users had not experienced particular harm as a result of the potential disparity between the level of care commissioned, and the level of care delivered in outlier cases. Internal Audit carried out a lessons learned review from a HSC wide perspective in relation to the structure of the investigative review and also carried out in depth reviews of domiciliary care in Trusts in 2017/18. These internal audits were finalised after year end and the Oversight Scrutiny Committee will now move to scrutinise.

The demand for domiciliary care services across the Trust continues to increase, particularly in some rural areas. The Trust is experiencing a lack of capacity, specifically within the independent sector for new and increased packages of care and this has the potential to adversely affect Trust performance with regards to patient flow. Despite augmenting the hourly rate paid and introducing a range of measures capacity has not materially improved. Some independent sector providers have raised concern that the Trust Hourly rate is inadequate to cover the cost of recent increases with regards to the National Living Wage, others have identified recruitment and retention as an issue impacting on their capacity and ability to take on new packages of care.

The Trust has taken the decision to continually review/expand the in-house service to address this issue, this has continued into 2018/19. The Trust also increased its hourly rate by over 4% for 2018/19 with the intention of addressing the concerns of providers.

Update as at 31 March 2019: Despite the increase to rates in 2018/19, the Trust still finds it difficult to secure additional care hours via the independent sector. Providers consistently flag up the issue that the current rate does not give them the ability to pay their staff adequately to sustain their workforce and support recruitment.

To support providers in the independent sector to take on additional hours, the Trust has trialled block contracts as a way for providers to incentivise the workforce through the arrangement where staff have a guaranteed number of hours per day. This has proved successful in some areas but demand continues to outstrip capacity. For 2019/20, the Trust has engaged with regional colleagues and has allocated a 5% uplift to the domiciliary care hourly rate. This takes the current rate to £14.61. However, the Trust still struggles to secure the capacity required and people may have to wait longer than desired for their package.

In 2018 the Trust Domiciliary Care Service held two recruitment drives across the Trust. In June 2018, 60 posts, being a mix of backfill and additionally funded posts, were required to be recruited. Similar in October 2018, for 40 posts. These recruitment drives were very successful, and the remaining posts have been filled at the end of March 2019. The service has also developed a new team of staff called Rapid Access Personal Support Workers (Band 3). These staff will be working alongside the Discharge to Assess Teams in the hospitals to facilitate patient flow. In order to provide a development opportunity the posts are being recruited from our in house domiciliary care team. There are 26 posts being recruited for these teams and there are currently 9 in place. These posts will be required to be backfilled in our Trust Domiciliary Care Services and a further recruitment drive is currently being organised.

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In 2018/19 the Trust has participated in a regional review of the model of care and support at home along with service modelling. This process may inform sustainable rates going forward. The Trust has participated in the Social Care Procurement Board and has advocated for a regional service model to be agreed to enable a regional procurement exercise to take place. The Trust has continued to embed its domiciliary care inspection programme based on advice from internal audit. This programme has been augmented to review more detailed staffing and financial information and providers are issued with an annual report and action plan. As part of the regional review, the Trust has been successful in securing transformation funding to test elements of the potential new model for care and support at home. In early 2019/20 4 pilot sites will be operational to test the concept of autonomous teams.

- Nursing and Residential Care

The Trust previously reported on recruitment issues in independent sector nursing home providers. The Trust continues to have difficulties in accessing beds at the regional tariff. This will require an increase to the tariff rate to be resolved, which is determined by HSCB on an annual basis. The out-workings of the COPNI report have also resulted in a nervousness in the sector with a risk aversion making it challenging to source/maintain placement for clients with particularly complex needs.

Update as at 31 March 2019: The Trust has increased the tariff by over 4% for 2018/19. The regional tariff increases for 2019/20 have now also been advised, which provide a further 5% and 5.5% uplifts to residential and nursing home regional tariff rates respectively. The Trust feels that these increases should assist in addressing the concerns of providers and therefore improve access to placements, however, there still remain a high number of beds that require a third party contribution and are above the allocated regional rate.

- Elective

Demand for elective services continues to increase beyond the capacity of the Trust to deliver the waiting time targets. The Trust prioritises urgent and cancer patients which means that routine patients will wait an unacceptable time for both outpatient and/or inpatient and day case treatment.

Waiting time for many Specialties remain a significant concern for the Trust, and we will continue to lobby for additional resources to address this issue.

Update as at 31 March 2019: Elective Care funding is included in the Transformation Funding, however it is likely that this level of investment will be insufficient to make significant improvement. In the medium term, Elective Care Centres could provide improvement. Additional funding has been provided in respect of quarter one, 2019/20, for cancer and urgent patients only and therefore routine patients may experience increased waiting times.

It has been recognised that significant investment is required to, not only to clear backlogs, but to ensure future capacity is sufficient to meet demand. This has been estimated at £750m - £1bn for the region.

- RQIA Acute Hospital Inspection of the Ulster Hospital

The Trust previously reported on the RQIA Inspection Programme carried out in the Ulster Hospital, Emergency Department, Ward 11 and Ward 13 in February 2016.

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Update as at 31 March 2019: Ward 11 is no longer an acute medical ward. The environmental issues / constraints within the Emergency Department remain a challenge due to the year on year increasing number of attendances to the Department. Compliance checks are completed regularly to ensure that we continue to work towards achieving full compliance, where possible. All RQIA recommendations in relation to ward 13 have been actioned. The Trust is progressing significant capital investment programme in relation to Acute Services, including a new Emergency Department for the Ulster Hospital site for 2020/21.

- Social Care Procurement

In order to minimise the risk of non-compliance with the Public Contract Regulations 2015, all DoH ALBs are extending CoPE cover for social and health care services in the Light Touch Regime. This is being taken forward by the ALBs via a formally constituted project, reporting to Regional Procurement Board. The Light Touch regime effectively gives the Trust five years to achieve adherence with the Procurement Regulations (2015).

Update as at 31 March 2019: The Trust continued to rely on the “Light Touch Regime” in 2018/19, and it will take some time to address the Procurement of Social Care. In order to minimise the risk of non-compliance with the Public Contract Regulations 2015, all DoH ALBs are extending CoPE cover for social and health care services in the Light Touch Regime. This is being taken forward by the ALBs via a formally constituted project, reporting to Regional Procurement Board.

The Light Touch regime effectively gives the Trust five years to achieve adherence with the Procurement Regulations (2015). The Trust is currently a participant in procurement activity as part of the regional plan for supported living services along with family support services. As part of this the Trust will work with regional colleagues to develop service specifications and participate in contract adjudication groups where appropriate. In relation to domiciliary care the Trust plans to link with regional transformation groups to review the model, in partnership with other Trusts and continues to advocate for a regional approach to any procurement within the context of the regional social care procurement plan.

- Mental Health Services

Changing patterns of drug misuse and increased levels of violence presents a challenge to Community, Inpatient and Addictions services impacting on recruitment and retention of Mental Health Practitioners. The Trust will continue to actively attempt to recruit Mental Health Practitioners.

Update as at 31 March 2019: Workforce challenges remain an issue and this is likely to be the case for another 3-5 years. The shortage of professional Mental Health staff, particularly within Nursing, is being experienced across all NI Trusts. While Universities have increased their capacity on professional courses it will be at least 3 years before services begin to feel the benefit. Meanwhile the range and scope of mental health services is increasing as new services come on stream, therefore adding to workforce management difficulties. Various initiatives are being taken forward, for example, skill mix, growing your own professional staff through training initiatives for unqualified staff and staff support policies. Staffing issues remain on the Corporate Risk Register.

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Corporate Governance Statement

Mental Health Services regionally are continuing to experience significant bed pressures. It is anticipated that the regional review on acute psychiatric inpatient services will help to identify future priorities for service improvements. It is anticipated that the HSCB/PHA commissioned review will be completed in the Summer of 2019 and subsequently shared with Trusts, with the subsequent development of an associated action plan at commissioner level to take forward the main recommendations.

Identification of new issues in the current year (including issues identified in the mid-year assurance statement) and anticipated future issues):

- COPNI Home Truths: A Report on the Commissioner's Investigation into Dunmurry Manor Care Home

The Trust has contributed, as requested, to the response issued by DoH to the recommendations and is committed to responding positively to the issues raised in the report. An internal action plan is in place and the Trust will work with the DoH and colleagues across the system to progress the regional implementation plan.

The DoH commissioned a CPEA independent review into the actions of the HSC around Dunmurry Manor Care Home is also ongoing and the Trust welcomes and is fully co-operating with this review.

The rapid review of the Trust's governance arrangements for all services commissioned from the Independent Sector has concluded, resulting in 11 recommendations. The implementation of these recommendations is being overseen by the Trust's Governance Assurance Committee.

- Non-Compliance With Lease Policy

The Trust has strengthened its approaches to the management of Trust property. Particular focus is put on ensuring lease compliance with PEL 11(01), ensuring compliance with PEL 98(01) regarding the management of retained assets, the management of property leases especially those with critical lease dates, the management of accommodation of buildings, the management of property disposals, the management of rates and rebates and meeting planned disposal targets as set out in SET's management programme. A Senior Surveyor is now in position this area. The recruitment of a supporting officer to aid the Senior Surveyor has, however, proved challenging due to marketplace availability. This recruitment action will be re-advertised in the first quarter of 2019/20. The Trust has continued challenges with regard to accommodation requirements and this is managed on an ongoing basis.

The Trust would welcome a draft Standard Lease Agreement prepared by BSO Directorate of Legal Services, following approval of the GP Working Groups Best Practice Paper, before entering negotiations with GPs. It is important to ensure that approval has been obtained from all relevant stakeholders within the GP Working Group, in particular Northern Ireland General Practitioners Committee (NIGPC), to the key terms of any standard Lease document. The Trust note that one of the key purposes of the GP Working Group was to address the difficulty which Trusts across the region face in agreeing Lease terms with GPs, without an agreed Standard Lease Agreement which has received approval from GP representatives, any future negotiations are unlikely to improve.

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Corporate Governance Statement

- Muckamore Abbey Hospital

A regional action plan has been agreed to resettle all delayed discharges patients by December 2019. This is a Departmental priority. This is a challenging agenda and will require investment in specialised accommodation, home treatment services and workforce to meet the complex needs of people with a severe learning disability who do not require to be in hospital.

South Eastern Trust has robust discharge planning and monitoring arrangements in place. Given the complexity of the resettlement task, the Trust is working collaboratively with the Belfast and Northern Trusts, Independent providers and Housing Associations to deliver best outcomes for patients.

An ongoing safeguarding investigation of serious concerns in Muckamore by Belfast Trust has resulted in reduced hospital staffing levels which has impacted significantly on acute admissions requiring the admission of individuals with learning disability to acute general mental health wards. This has placed considerable additional pressure on South Eastern Trust's mental health and learning disability services who as a result, are managing an increased level of risk. South Eastern Trust is actively engaged in the regional review of learning disability services to transform the service model.

- EU Exit

During 2018/19 the Trust, along with other HSC bodies, actively scoped the potential risks associated with a "no deal" exit from the European Union, initially scheduled for the 29 March 2019. Contingency plans were in place had the UK Government decided to have left on this date. Contingency plans largely addressed potential risks in respect of maintaining staffing levels and ensuring the continued supply of goods, particularly drugs and medical supplies. There remains a risk that the UK Government may leave the European Union with a "no deal", but this risk has now been delayed until 2019/20, with an extension to article 50, until the 31 October 2019.

Contingency plans remain in place, with the Trust and HSC bodies now refining their plans for a "no deal" exit, scheduled for the 31 October 2019.

- Cyber Security

The Trust has received an audit report during 2018/19 with recommendations to strengthen cyber security arrangements. Some of the recommendations rely on a regional approach given the nature of the HSC shared technical infrastructure. The Trust will continue to work with regional colleagues through the Regional Cyber Security Programme Board to address these areas and work together to take common/consistent actions to strengthen cyber security issues highlighted by Internal Audit.

- Business Case approval

A condition of the Confidence and Supply funding to the Trust was approval of each business case by the Trust Senior Management Team, and then HSCB approval, by 31 March 2019. Of the total 102 schemes, all 102 had been approved by the Trust senior management team by 31 March. At 31 March, 2 (£17k) were not approved by HSCB and these were subsequently approved by HSCB in early April 2019.

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Corporate Governance Statement

Conclusion

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

Further to considering the accountability framework within the Trust and in conjunction with assurances given to me by the Head of Internal audit, I am content that the Trust has operated a sound system of internal governance during the period 2018/19.

Accountability Report

Statement of Accounting Officer Responsibilities

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST'S RESPONSIBILITIES AND 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 South Eastern Health and Social Care Trust to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and the Annual Report and Accounts must provide a true and fair view of the state of affairs of the South Eastern Health and Social Care Trust, of its income and expenditure, changes in taxpayers equity and cash flows for the financial year.

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

- observe the Accounts Direction issued by the Department of Health including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in FREM have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Trust will continue in operation;
- keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust;
- pursue and demonstrate value for money in the services the Trust provides and in its use of public assets and the resources it controls;
- 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 Accounting Officer for health and personal social services resources in Northern Ireland has designated Neil Guckian of South Eastern Health and Social Care Trust as the Accounting Officer (Interim) for the Trust. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Trust assets, are set out in the Accountable Officer Memorandum, issued by the Department of Health.

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 SEHSCT'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.

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Directors Report

Management Board

The Management Board responsible for setting the direction for the South Eastern Trust is made up of the following individuals:

Executive members:

Hugh McCaughey (Chief Executive to 31/3/19)

Neil Guckian (Director of Finance to 31/3/19, Interim Chief Executive from 1/4/19)

Roisin Coulter

Seamus McGoran

Charles Martyn

Bria Mongan

Nicki Patterson

Brendan Whittle

Myra Weir

Paul Morgan (Interim Director of Finance from 2/4/19)

Non-executive members:

Colm McKenna (Chairman to 28/2/19)

Deep Sagar (Chairman from 1/3/19)

Noel Brady

Dr Maura Briscoe

Maynard Mawhinney

Joan O'Hagan

Helen Minford

Laura O'Neill (left Trust employment on 7/9/18)

Jonathan Patton

History of the South Eastern Trust

The registered address of the headquarters of the South Eastern Health and Social Care Trust is:

Chief Executives Office

Trust Headquarters

Ulster Hospital

Upper Newtownards Road

Dundonald

Belfast

BT16 1RH

Tel: 028 9055 3100

The South Eastern HSC Trust was established by The South Eastern Health and Social Services Trust (Establishment) Order (Northern Ireland) 2006 and came into effect on 1 April 2007 following the merger of the former Ulster Community and Hospitals Trust and Down and Lisburn Trust.

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Directors Report

It is an integrated organisation, incorporating acute hospital services, community health and social services and serves a resident population of over 360,000 people, and an estimated wider population of approximately 460,000 who avail of our services, primarily in the Ulster Hospital, Dundonald.

Equal Opportunities

The South Eastern HSC Trust has in place an equal opportunities policy to promote and provide equality between persons of different genders, marital or family status, religious belief or political opinion, age, disability, race or ethnic origin, nationality or sexual orientation, between persons with a disability and persons without, between persons with dependants and persons without, between men and women generally, and irrespective of Staff Organisation membership. This policy applies to recruitment, promotion, training, transfer and other benefits and facilities. Selection for employment and promotional opportunities is on the basis of ability, qualifications and aptitude for work.

Equality Responsibilities

As part of its Section 75 Responsibilities the Trust produces an Annual Progress Report (APR) which demonstrates progress against key targets. This APR is presented to EMT and Trust Board for approval prior to submission to the Equality Commission for Northern Ireland.

Equality and Human Rights Training and Awareness Raising

The Trust has in place a robust Equality and Human Rights training and awareness raising strategy. This strategy aims to ensure that all staff are aware of their responsibilities with regard to Equality and Human Rights. To compliment face to face training, the Trust has developed an Equality and Human Rights e-Learning module which focuses specifically on staff responsibilities using relevant examples, case studies and case law. Staff are able to work their way through the user friendly information in a time frame which best suits them. In the past year 3,033 staff have accessed training, which includes the e-learning module, Corporate Induction, Freeze training and the Practical Manager programme. Feedback from the training has been very positive.

Rural Needs Act 2016

As outlined in the Rural Needs Act 2016, from 1 June 2018, the South Eastern Health and Social Care Trust has a legal duty to ensure due regard is paid to the consideration of the social and economic needs of service users in rural areas when designing and delivering our services. The Trust has put in place systems to ensure adherence to and monitoring and reporting of requirements in relation to this Act and has completed a number of Rural Needs Impact Assessments. The Trust has undertaken initial training sessions on the Rural Needs Act 2016, as provided by the NI Rural Development Council. The Trust will return an annual report 2018/19 to Department of Agriculture, Environment and Rural Affairs (DAERA) in September 2019.

Face to Face and Telephone Interpreting

The Trust continues to provide face to face and telephone interpreting for patients and clients who do not speak English as a first language. Staff are able to book face to face interpreters for pre-planned appointments with telephone interpreting being available to patients who arrive at the Emergency Department or unexpectedly for treatment. During the past year

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Directors Report

period the Trust provided 8,761 interpreting episodes with languages ranging from Arabic, Polish, Lithuanian and Romanian to Russian, Hungarian, Urdu and Tetum.

Working Well with Interpreters Training Sessions

To support staff a series of 'Working Well with Interpreters' training Sessions have been held throughout the Trust. These are provided in conjunction with the Northern Ireland Health and Social Care Interpreting Services and 87 staff attended training in the Ulster, Downe and Lagan Valley Hospitals. All relevant information and booking forms are available on the Equality and Human Rights Intranet pages.

Charter Work Inspiration Programme

The Trust continues to work with Business in the Community in particular to engage in the Charter Work Inspiration Programme.

During the past year the Trust facilitated 479 work experience placements. These included opportunities in Admin and Clerical, Audiology, Catering, Child Care, Clinical Physiology, Dentistry, Innovation and Development, Medicine, Midwifery, Nursing, Physiotherapy and Speech and Language. A total of 148 open days were held in areas such as Nursing, Dietetics, Labs, Pharmacy and Physiotherapy.

The Trust also has in place a well developed Employability Scheme which provides career opportunities for children in our care.

Volunteering Opportunities through Time to Read

For the past 8 years South Eastern Trust staff volunteers have been working in partnership with local primary Schools as part of the 'Time to Read' Scheme. Currently 9 Trust staff volunteer in primary schools throughout the Trust areas including:

- Ballymagee Primary School, Bangor;
- Brooklands Primary School, Dundonald;
- Drumlins Integrated Primary School, Ballynahinch;
- Rathmore Primary School, Bangor;
- St Finian's Primary School, Newtownards;
- Tonagh Primary School, Lisburn;
- West Winds Primary School, Newtownards.

The volunteers work with Primary 5 pupils every week for one hour. The aim of the Time to Read programme is to show children that reading is an enjoyable activity and it provides an opportunity for the volunteers to build the children's confidence and self-esteem. South Eastern Trust Volunteers at West Winds Primary School in Newtownards organised a workplace visit in June 2018 to Parliament Buildings for the pupils participating in the Time to Read Programme. In addition to the benefits for the pupils, Trust staff have found the experience very positive and rewarding.

Employment East Project – Partnership with Ashfield Girls High School

The South Eastern Trust has been participating for 2 years in the in the Employment East Project, the Board of which is chaired by the South Eastern Trust Chief Executive.

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One of the work streams of the Project was to develop partnerships between employers such as the South Eastern Trust and local Primary and Secondary schools. The Trust has been working closely with Ashfield Girls High School for the past 18 months.

The aim of the partnership is to encourage and inform pupils as they make their subject and career choices by making them aware of the vast number of job opportunities available within Health and Social Care and also to facilitate workplace visits to the Trust.

To date the Trust has visited the school to deliver a variety of presentations on a number of topics and careers. These have included the Director of Human Resources and Corporate Affairs giving an inspiring talk on the possible alternative pathways to a successful and fulfilling Health and Social Care career and the Nursery Manager who gave the pupils an insight into her varied job.

A Clinical workplace visit to the Paediatrics Department was organised for a group of 10 pupils who were accompanied by the Careers Teacher. During the half day visit they heard from staff including the Play Specialist, Staff Nurse, Nursing Assistant, Ward Clerk, Ward Sister, Patient Experience Team member and Paediatric Dietician. The Trust has also delivered a Preparation for Interview Workshop to year 13 pupils.

Feedback from the school on the presentations and workplace visit has been extremely positive with many pupils being grateful for the time which staff have spent with them and expressing a desire to pursue a career in Health and Social Care.

Accounts Preparation

The Trust's annual accounts have been prepared in a form determined by the Department of Health, Social Services and Public Safety based on guidance from the Department of Finance and Personnel'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.

Better Payments Practice Code

Details of the Trusts compliance with the code are given in Note 14.1 of the Annual Accounts Section.

Late Payment of Commercial Debts Regulations 2002

Compensation in respect of late payments is disclosed in note 14.2 of the Annual Accounts Section.

Trust Management Costs

Details of the Trust management costs are detailed within the Remuneration and Staff Report.

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Directors Report

Related party transactions

Details of Related Party Transactions are disclosed in Note 21 of the Annual Accounts Section.

Directors Interests

Details of company directorships or other significant interests held by Directors, where those Directors are likely to do business, or are possibly seeking to do business with the South Eastern Health and Social Care Trust, where this may conflict with their managerial responsibilities, are held on a central register. A copy is available from Assistant Director, Financial Services, South Eastern Health and Social Care Trust, Finance Building, Ards Hospital, Newtownards, BT23 4AS.

Charitable Donations

The Trust did not make any charitable donations during the financial year.

Post Balance Sheet Events

There are no post balance sheet events which have a material impact on the accounts.

Sickness Absence Information

The Trust's percentage figure for sickness absence for the 2018/2019 year is 6.48% (6.97% 2017/18).

Personal Data Related Incidents

All reported incidents of data loss or confidentiality breach in 2018/2019 have been assessed. While there were several small scale incidents, the impact was limited and procedures were put in place to address future risk in these areas. The Trust reported 7 (including one FPS/BSO case) incidents to the Information Commissioner's Office (ICO) during this period. The ICO has concluded on all of their Trust led investigations and has taken no further action based on the prompt remedial works undertaken by the Trust.

Public Sector Information Holder

The South Eastern HSC Trust is a public sector information holder and is subject to the terms of the Freedom of Information Act, 2000.

Treatment of Pension Liabilities

The Trust participates in the HSS Superannuation Scheme. Further details on the treatment of pension liabilities are disclosed in section 1.20 of the Statement of Accounting Policies.

Fees and Charges (Audited)

The Trust's statutory audit was performed by NIAO. The notional cost of the audit for the year ended 31 March 2019 which pertained solely to the audit of the accounts was £61k. The notional cost of the audit of Trust Charitable Funds for the year ended 31 March 2019 was £5.5k.

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Directors Report

Non Audit Services

During the year the South Eastern Trust purchased services from its auditor, the Northern Ireland Audit Office, in respect of the National Fraud Initiative (£3k).

Statement on Disclosure of Audit Information

All directors can confirm that they are not aware of any relevant audit information of which the South Eastern HSC Trust's auditors are unaware. All Directors, including the Chief Executive have taken all the steps necessary to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

Principal Risks and Uncertainties Facing the Trust

The Trust has a Corporate Risk Register (CRR) process in place which is complementary to, and works in conjunction with, the Risk Management System and the Board Assurance Framework. The CRR identifies the principal risks that may threaten the achievement of the corporate objectives; details the control measures in place to manage these risks; identifies the sources of assurances that provide evidence that the control systems on which we place reliance are effective. It also includes information in respect of Board reports in terms of positive assurances, gaps in control and gaps in assurance and action plans for the treatment of any residual risks. A Directorate Risk Register (DRR) process is also in operation and works alongside the CRR. It details principal risks at Directorate level which feed into the CRR, some of which may be escalated to the CRR, if appropriate during the year.

On 6 February 2018, the extant Corporate Risk Register [CRR] (2017/18) was discussed by the Executive Management Team in terms of closure of each CRR pro forma and also which items would roll forward and remain on the register with updated action plans for the incoming year (2018/19).

Following the conclusion of the meeting, it was agreed that:

- 14 of the existing 15 [previously 16 – one item closed mid-year] Corporate Risk Register (2017/18) topics should be carried forward into the 2018/2019 Corporate Risk Register with new action plans developed, as appropriate;
- Item 2119 (Shared Services) was remitted to HR & Finance Directorate Risk Register;
- All forms were reviewed for accuracy and updated for scoring, control measures and new action plans inserted, as appropriate;
- No new items added to register.

A total of 14 items were on the Corporate Risk Register for 2018/2019. One new item – ID2541 (Transformation) was added to the Register in September 2018 (= 15 items). There were a total of 55 action point items (across all 15 CRR pro formas) and all items have been closed off as at 31 March 2019.

The risks are further described below in Table 1 – by the Principal Risk broken down by Principal Objectives and Table 2 – by the Risk Sub Type during 2018/19.

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Table 1 – Risks by Principal Risk by Principal Objective – 2018/2019

No	ID	Principal Objectives	Principal Risk Title
1	2334	Ensure safety, improve quality and test experience	Inability to deliver seamless mental health acute in patient services on a single site consistent with best practice
2	2335	Ensure safety, improve quality and test experience	Inability to deliver safe and effective health care in a prison environment
3	2337	Ensure safety, improve quality and test experience	Inability to ensure the quality of the aged built environment and associated infrastructure
4	2338	Continue to improve	Inability to meet the financial demands against competing break even responsibility
5	2339	Ensure safety, improve quality and test experience	Inability to provide safe and effective emergency care at Ulster Hospital
6	2340	Ensure safety, improve quality and test experience	Inability to sustain Midwifery led Units and Emergency Services at the Down and Lagan Valley sites
7	2341	Ensure safety, improve quality and test experience	Inability to meet the staffing required to operate effective out of hours hospital services
8	2342	Ensure safety, improve quality and test experience	Inability to provide a comprehensive laundry and linen service
9	2343	Ensure safety, improve quality and test experience	Inability to deliver the required qualified medical and nursing workforce
10	2344	Ensure safety, improve quality and test experience	Inability to deliver the full range performance and service delivery targets
11	2345	Ensure safety, improve quality and test experience	Inability to cope with/meet the growing cyber threats
12	2541	Ensure safety, improve quality and test experience	Inability to deliver the transformation of HSC services due to resource and workforce constraints
13	2336	Ensure safety, improve quality and test experience	Inability to meet the growing demand for Community Care packages
14	2346	Ensure safety, improve quality and test experience	Inability to provide the GP manpower to run the Out of Hours (OOH) Service
15	2347	Ensure safety, improve quality and test experience	Inability to meet the threat of current and emerging Healthcare Associated Infection

Table 2 – Risk Sub Type/Total – 2018/19

	Total
Financial	1
Health & Safety	2
Patient Safety/Clinical	6
Service Continuity	2
Targets, Objectives & Service Provisions	4
Totals:	15

Accountability Report

Directors Report

Progress reports were completed on a quarterly basis by the relevant Director and input into Datix under the direction of the Assistant Director, Risk Management & Governance.

A bi-annual report on the Board Assurance Framework and CRR is presented to the Trust Board (May/November) each year

The Governance Assurance Committee is responsible for receiving reports on the Corporate Risk Register on a quarterly basis. At its meeting on 13 June 2018, it discussed and approved the Corporate Risk Register for 2018/19 for submission to the Trust Board on 20 June 2018 for endorsement. The Committee was satisfied that the action plans contained in the CRR were appropriate and arrangements were in place for the quarterly monitoring of progress in respect of action plans.

Compliance with the Corporate and Directorate Risk Registers is monitored on a regular basis via the Governance Assurance and Corporate Control Committees respectively. This process is also discussed at the monthly Performance Improvement & Monitoring Meetings and bi-annual Accountability Review meetings.

Directors can add new items to the Corporate Risk Register as and when required. These are normally discussed in the first instance at the Executive Management Team meetings and items added to the register accordingly.

Accountability Report

Remuneration and Staff Report

REMUNERATION AND STAFF REPORT

Membership of the Remuneration Committee

The Remuneration Committee of South Eastern Health & Social Care Trust includes the Chairman and 2 Non-Executive Directors of the Trust. They are supported by the Chief Executive and Director of Human Resources & Corporate Services.

Policy on the Remuneration of the Chief Executive and Directors

The policy on the Remuneration of the Chief Executive and Directors is governed by and administered on the basis of the Department of Health, Departmental Directives and Circulars on HSC Senior Executive Salaries.

Method used to assess performance

All Senior Executives during 2018/19, except the Medical Director (who is contracted under medical & dental terms and conditions), were employed on terms and conditions determined by the Department of Health. The contractual provisions applied to these Senior Executives, including the application of the Performance Management Scheme are detailed within HSS(SM) Circulars.

The Trust Board

The Trust Board determines the strategic and operational corporate objectives for the Trust for the year ahead, taking into account the parameters established by the Department and to incorporate them within the Service or Trust Delivery Plans.

Remuneration Committee

The Remuneration Committee oversees the individual performance management process for all senior executives.

Chair

The Chairman agrees and reviews the Chief Executive's performance objectives.

Chief Executive

The Chief Executive agrees individual performance objectives of Directors and reviews the performance of objectives and completes the final report.

Performance Objectives

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

Evaluation of Performance

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

Accountability Report

Remuneration and Staff Report

relevant Departmental Senior Executive Circulars. The performance of each individual is assessed and rated each year.

The Remuneration Committee, which is made up of the Chairman and 2 non-executive directors of the Board, are fully conversant with organisational performance via monthly reports to the Trust Board. In particular, financial management, patient and client access and governance development performance are taken into account. These are reflected in individual performance objectives. The method used does not include formal comparisons with outside organisations.

Duration of Contracts

Contracts of employment are permanent (subject to satisfactory performance) and provide for three months' notice for both parties. 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.

Audited Remuneration Table

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

Table of Non-Executive Directors Remuneration & Pension Benefits (Audited):

	2018-19					2017-18				
	Salary £000	Bonus / Performance pay £000	Benefits in Kind (Rounded to nearest £100)	Pensions benefit (rounded to nearest £1,000)	Total £000	Salary £000	Bonus / Performance pay £000	Benefits in Kind (Rounded to nearest £100)	Pensions benefit (rounded to nearest £1,000)	Total £000
Non-Executive Members										
C McKenna	30-35	0	0	0	30-35	30-35	0	0	0	30-35
D Sagar	0-5	0	0	0	0-5	0	0	0	0	0
M Briscoe	5-10	0	0	0	5-10	5-10	0	0	0	5-10
M Mawhinney	5-10	0	0	0	5-10	5-10	0	0	0	5-10
N Brady	5-10	0	0	0	5-10	5-10	0	0	0	5-10
J O'Hagan	5-10	0	0	0	5-10	5-10	0	0	0	5-10
H Minford	5-10	0	0	0	5-10	5-10	0	0	0	5-10
L O'Neill	0-5	0	0	0	0-5	5-10	0	0	0	5-10
J Patton	5-10	0	0	0	5-10	5-10	0	0	0	5-10

L. O'Neil left Trust employment on 7 September 2018.

C McKenna left Trust employment 28 February 2019

D Sagar joined the Trust on 1 March 2019

Accountability Report

Remuneration and Staff Report

Table of Executive Directors Remuneration & Pension Benefits (Audited):

	2018-19			2017-18			2018-19			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 31/03/18 £000s	CETV at 31/03/19 £000s	Real increase in CETV in CETV £000s
	Salary £000	Bonus / Performance pay £000	Benefits in Kind (Rounded to nearest £1,000)	Pensions benefit (rounded to nearest £1,000)	Total £000	Bonus / Performance pay £000	Benefits in Kind (Rounded to nearest £100)	Pensions benefit (rounded to nearest £1,000)	Total £000					
Executive Members														
H McCaughey (Chief Executive)	120-125	0	4,200	(10)	115-120	120-125	0	2,700	6	130-135	45-50 plus lump sum 145-150	1,006	1,122	7
R Coulter (Director of Planning / Performance)	70-75	0	0	3	75-80	70-75	0	1,700	8	80-85	25-30 plus lump sum 80-85	469	548	4
N Guckian (Director of Finance/Estates)	85-90	0	0	11	95-100	85-90	0	0	17	100-105	30-35 plus lump sum 70-75	522	611	14
C Martyn (including clinical duties) (Medical Director) (1)	195-200	0	3,900	N/A	200-205	190-195	0	3,100	N/A	195-200	N/A	N/A	N/A	N/A
N Patterson (Director of Elderly & Primary Care Services)	90-95	0	3,400	(5)	85-90	85-90	0	6,700	6	95-100	30-35 plus lump sum 100-105	649	747	7
S McGoran (Director of Hospital Services)	95-100	0	2,600	(7)	90-95	95-100	0	2,000	6	105-110	35-40 plus lump sum 115-120	795	903	7
BI Whittle (Director of Childrens Services & Executive Director of Social Work)	70-75	0	0	7	80-85	70-75	0	0	13	85-90	25-30 plus lump sum 65-70	469	547	7
B Morgan (Director of Adult Services & Prison Healthcare) (1)	70-75	0	0	N/A	70-75	70-75	0	0	N/A	70-75	N/A	N/A	N/A	N/A
M Weir (Director of HR & Corp Services)	70-75	0	0	1	75-80	70-75	0	0	22	95-100	30-35 plus lump sum 85-90	602	687	3

	2018-19	2017-18
Fair Pay Disclosure	£200-£205k	£195k-£200k
Band of Highest Paid Directors Total Remuneration	£29,441	£28,639
Median Total Remuneration	6.8	7.0
Median Total Remuneration Ratio	£16,943 -	£14,437 -
Median Pay Range	£343,113	£276,385

The calculation of median remuneration excludes agency staff.

(1) Is beyond the (age) threshold for calculation of CETV and so this is not applicable in the 18/19 year.

Accountability Report

Remuneration and Staff Report

Salary is the gross salary paid/payable to the individual. The benefits in kind listed above related to leased cars. 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 or any increase or decreases due to a transfer of pension rights.

The pension scheme for Executive Directors is the same scheme as for all HSC staff including nursing staff. There are currently seven rates of member contributions, ranging from 5% of pensionable pay for the lowest earners to 14.5% of pensionable pay for the highest earners.

Thus higher salaried staff contribute a larger proportion of their salary for the same defined benefit.

Member Contribution Rates (Gross):

Full-time pay	Contribution Gross 18-19
£0-15,000	5.00%
£15,000-21,000	5.6%
£21,000-27,000	7.1%
£27,000-48,000	9.3%
£48,000-71,000	12.5%
£71,000-111,000	13.5%
£111,000 over	14.5%

The HSC Pension Scheme is governed by rules laid down in regulations agreed by DOH. These regulations are also bound by all primary legislation that has relevance to Occupational Pension Schemes. The rules of the HSC Pension Scheme are laid down in the Health and Personal Social Services (Superannuation) Regulations (NI) 1995. The Scheme is "registered" under the Finance Act 2004. The Scheme Administrator is the HSC Business Services Organisation. The HSC Pension Scheme does not have a real pension fund, but as a statutory scheme, benefits are fully guaranteed by the Government. Contributions from both members and employers are paid to the Exchequer, which meets the cost of Scheme benefits.

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

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.

Accountability Report

Remuneration and Staff Report

CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of 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.

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest paid director in South Eastern Health and Social Care Trust in the financial year 2018/19 was £195k-£200k (£195k-£200k, 2017/18). This salary includes significant remuneration in respect of Clinical (Non-Director) duties. This was 6.8 times (7.0, 2017/18) the median remuneration of the workforce, which was £29,441 (£28,639, 2017/18).

In 2018/19, 6 employees (Medical Consultants) received remuneration in excess of the highest paid director. Remuneration ranged from £202k to £343k.

Total remuneration includes salary, non-consolidated performance related pay, benefits in kind excluding severance payments and the value of pension benefits. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

STAFF REPORT

Staff Costs (Audited)

	2019		2018	
Staff costs comprise:	Permanently employed staff £000s	Others £000s	Total £000s	Total £000s
Wages and salaries	311,869	24,491	336,360	321,153
Social security costs	27,818	0	27,818	26,129
Other pension costs	43,677	0	43,677	40,089
Sub-Total	383,364	24,491	407,855	387,371
Capitalised staff costs	(530)		(530)	(637)
Total staff costs reported in Statement of Comprehensive Expenditure	382,834	24,491	407,325	386,734
Less recoveries in respect of outward secondments			(3,584)	(3,762)
Total net costs			403,741	382,972
Total Net costs of which:			£000s	£000s
South Eastern HSC Trust			407,325	386,734
Charitable Trust Fund			0	0
Consolidation Adjustments			(130)	(130)
Total			407,195	386,604

Staff Costs are inclusive of the Apprenticeship Levy of 0.5%, but exclude £530k charged to capital projects during the year (2018 £637k).

Accountability Report

Remuneration and Staff Report

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

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the statement of financial position date and updates it to reflect current conditions. The 2016 valuation for the HSC Pension scheme updated to reflect current financial conditions (and a change in financial assumption methodology) is used in 2018/19 accounts.

Average Number of Persons Employed (Audited)

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

	2019			2018
	Permanently employed staff No.	Others No.	Total No.	Restated Total No.
Medical and dental	602	161	763	689
Nursing and midwifery	3,543	130	3,673	3,455
Professions allied to medicine	769	65	834	799
Ancillaries	1,277	26	1,303	1,228
Administrative & clerical	1,329	134	1,463	1,435
Ambulance staff	0	0	0	0
Works	92	0	92	85
Other professional and technical	422	0	422	404
Social services	1,419	119	1,538	1,440
Other			0	0
Total average number of persons employed	9,453	635	10,088	9,535
Less average staff number relating to capitalised staff costs	9		9	12
Less average staff number in respect of outward secondments	71		71	75
Total net average number of persons employed	9,373	635	10,008	9,448

Gender Composition of Senior Management

The table below shows the number of persons of each gender who were senior managers in the Trust within 2018/19. Managers have been defined as non-medical staff at band 8c and above (excluding Directors).

Staff Gender Breakdown within South Eastern Health and Social Care Trust 2018-19 Senior Management (excl. Board Members)*	
Female	38
Male	18

Accountability Report

Remuneration and Staff Report

Reporting of early retirement and other compensation scheme - exit packages

Exit package cost band	*Number of compulsory redundancies		*Number of other departures agreed		Total number of exit packages by cost band	
	2019	2018	2019	2018	2019	2018
<£10,000	0	0	0	0	0	0
£10,001 - £25,000	0	0	0	0	0	0
£25,001 - £50,000	0	0	0	0	0	0
£50,001 - £100,000	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0
£200,001 - £250,000	0	0	0	0	0	0
£250,001 - £300,000	0	0	0	0	0	0
£300,001 - £350,000	0	0	0	0	0	0
£350,001 - £400,000	0	0	0	0	0	0
Total number of exit packages by type	0	0	0	0	0	0
Total resource cost	£000s 0	£000s 0	£000s 0	£000s 0	£000s 0	£000s 0

Redundancy and other departure costs have been paid in accordance with the provisions of the HSC Pension Scheme Regulations and the Compensation for Premature Retirement Regulations, statutory provisions made under the Superannuation 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 at note 3. 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 and are not included in the table.

Accountability Report

Remuneration and Staff Report

Trust Management Costs

	2019 £000s	2018 £000s
Trust management costs	24,669	23,588
Income:		
RRL	659,580	634,134
Income per Note 4	43,542	42,004
Non cash RRL for movement in clinical negligence provision	797	(21,426)
Less interest receivable	0	0
Total Income	703,919	654,712
% of total income	3.5%	3.6%

The above information is based on the Audit Commission's definition "M2" Trust management costs, as detailed in HSS (THR) 2/99.

The increase in management costs reflects the additional costs of BSO recharges and reduced value of capitalised staff costs within Corporate Services.

The above information is based on the Audit Commission's definition "M2" Trust management costs, as detailed in HSS (THR) 2/99.

Off Payroll Staff Resources (Audited)

The Trust did not have any 'off-payroll' staff resource engagement as at 31 March 2019 (or 31 March 2018) which cost more than £245 per day, last longer than six months, and were in place during 2018-19.

Retirements Due to Ill-Health

During 2018/19 there were 16 early retirements from the Trust agreed on the grounds of ill-health (30 employees at cost of £30k in 2017/18). The estimated additional pension liabilities of these ill-health retirements will be £48k. These costs are borne by the HSC Pension Scheme.

Accountability Report

Funding Report

FUNDING REPORT (AUDITED)

Compliance with regularity of expenditure guidance

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

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

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

Both Internal and External Audit provide an independent assessment of the Trust's adherence to this framework of financial governance and control, with the External Auditors 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.

Accountability Report

The Statement of Losses

STATEMENT OF LOSSES AND SPECIAL PAYMENTS

Losses and Special Payments (Audited)

Type of loss and special payment	2018-19		2017-18
	Number of	£000	£000
Cash losses			
Cash Losses - Theft, fraud etc	8	0	0
Cash Losses - Overpayments of salaries, wages and allowances	0	0	0
Cash Losses - Other causes	3	0	0
	11	0	0
Claims abandoned			
Waived or abandoned claims	0	0	0
	0	0	0
Administrative write-offs			
Bad debts	116	195	174
Other	0	0	0
	116	195	174
Fruitless payments			
Late Payment of Commercial Debt	0	0	0
Other fruitless payments and constructive losses	0	0	0
	0	0	0
Stores losses			
Losses of accountable stores through any deliberate act	0	0	0
Other stores losses	0	0	117
	0	0	117
Special Payments			
Compensation payments			
- Clinical Negligence	96	6,442	6,308
- Public Liability	6	53	51
- Employers Liability	44	574	542
- Other	1	19	59
	147	7,088	6,960
Ex-gratia payments	48	21	13
Extra contractual	0	0	0
Special severance payments	0	0	0
	0	0	0
TOTAL	322	7,304	7,264

Three clinical negligence cases settled in excess of £250,000 (including costs) in 2018/19 (4 in 2017/18). These cases settled for £268k, £600k, and £3,215k.

The Trusts Preliminary Advisory Group on clinical negligence has reviewed the outcome of these cases and any lessons learnt have been considered and addressed.

Remote Contingent Liabilities (Audited)

The Trust has no remote contingent liabilities.

Accountability Report

The Statement of Losses

Special Payments

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

Other Payments

There were no other payments made in the year.

Losses and Special payments over £250,000

Losses and Special Payments over £250,000	Number of Cases	2018-19 £000	2017-18 £000
Cash losses	0	0	0
Claims abandoned	0	0	0
Administrative write-offs	0	0	0
Fruitless payments	0	0	0
Stores losses	0	0	0
Special Payments (Clinical Negligence Damages payments)	3	4,083	3,529
	3	4,083	3,529
TOTAL	3	4,083	3,529

On behalf of the South Eastern H&SC Trust I approve the Accountability Report encompassing the following sections:

- Non-Executive Directors Report;
- Corporate Governance Statement;
- Statement of Accounting Officer Responsibilities;
- Directors Report;
- Remuneration and Staff Report;
- Funding Report; and
- Statement of Losses and Special Payments.

Neil Guckian
Accounting Officer (Interim)
Date 5 June 2019

Accountability Report

C&AG Audit Certificates

SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

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 South Eastern Health and Social Care Trust for the year ended 31 March 2019 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. The financial statements comprise: the Group and Parent Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the group's and of the South Eastern Health and Social Care Trust's affairs as at 31 March 2019 and of the group's and the South Eastern 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 of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the South Eastern Health and Social Care Trust in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Other Information

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

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

Accountability Report

C&AG Audit Certificates

SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

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

Responsibilities of the Trust and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Trust and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

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

My objectives are to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

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

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Report

I have no observations to make on these financial statements.



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

26 June 2019

Annual Accounts

South Eastern Health and Social Care Trust

Annual Consolidated Accounts

For the year ended 31 March 2019

Annual Accounts Foreword

SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

FOREWORD

These accounts for the year ended 31 March 2019 have been prepared in accordance with Article 90(2) (a) of the Health and Personal Social Services (Northern Ireland) Order 1972, as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003, in a form directed by the Department of Health, Social Services and Public Safety.

Annual Accounts

Primary Statements

SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE For the year ended 31 March 2019

	NOTE	2019 £000s		2018 £000s	
		Trust	Consolidated	Trust	Consolidated
Income					
Revenue from contracts with customers	4.1	39,481	39,351	37,910	37,780
Other operating income*	4.2	4,061	4,263	4,094	4,304
Total operating income		43,542	43,614	42,004	42,084
Expenditure					
Staff costs	3	(407,325)	(407,195)	(386,734)	(386,604)
Purchase of goods and services	3	(274,746)	(275,152)	(251,901)	(252,325)
Depreciation, amortisation and impairment charges	3	(21,645)	(21,645)	(15,092)	(15,092)
Provision expense	3	743	743	(22,292)	(22,292)
Other expenditures	3	(61)	(61)	(43)	(43)
Total operating expenditure		(703,034)	(703,310)	(676,062)	(676,356)
Net operating expenditure		(659,492)	(659,696)	(634,058)	(634,272)
Finance income	4.2	0	136	0	137
Finance expense	3	0	0	0	0
Net expenditure for the year		(659,492)	(659,560)	(634,058)	(634,135)
Revenue Resource Limit (RRL)	23.1	659,580	659,580	634,134	634,134
Add back charitable trust fund net expenditure*		0	68		77
Surplus / (Deficit) against RRL		88	88	76	76

OTHER COMPREHENSIVE EXPENDITURE

	NOTE	2019 £000s		2018 £000s	
		Trust	Consolidated	Trust	Consolidated
Items that will not be reclassified to net operating costs:					
Net gain/(loss) on revaluation of property, plant and equipment	5.1/5.2/8	9,573	9,573	23,404	23,404
Net gain/(loss) on revaluation of intangibles	6.1/6.2/8	0	0	0	0
Net gain/(loss) on revaluation of charitable assets		0	257	0	(135)
Items that may be reclassified to net operating costs:					
Net gain/(loss) on revaluation of investments		0	0	0	0
TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March 2019		(649,919)	(649,730)	(610,654)	(610,866)

* All donated funds have been used by South Eastern Health and Social Care Trust as intended by the benefactor. It is for the Charitable Trust Fund Committee within Trusts to manage the internal disbursements. The committee ensures that charitable donations received by the Trust are appropriately managed, invested, expended and controlled, in a manner that is consistent with the purposes for which they were given and with the 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. Consolidated column includes Charitable Trust Fund Accounts.

The notes on pages 112 to 149 form part of these accounts.

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 March 2019

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

	NOTE	2019		2018	
		Trust £000s	Consolidated £000s	Trust £000s	Consolidated £000s
Non Current Assets					
Property, plant and equipment	5.1/5.2	659,752	659,852	604,139	604,239
Intangible assets	6.1/6.2	6,799	6,799	8,442	8,442
Financial assets	7	0	5,694	0	5,551
Trade and other receivables	12	0	0	0	0
Other current assets	12	0	0	0	0
Total Non Current Assets		666,551	672,345	612,581	618,232
Current Assets					
Assets classified as held for sale	9	0	0	379	379
Inventories	10	3,218	3,218	2,839	2,839
Trade and other receivables	12	16,476	16,496	15,815	15,846
Contract assets	12	0	0	0	0
Other current assets	12	1,928	1,928	1,691	1,691
Intangible current assets	12	0	0	0	0
Financial assets	7	0	0	0	0
Cash and cash equivalents	11	2,370	2,522	1,780	1,911
Total Current Assets		23,992	24,164	22,504	22,666
Total Assets		690,543	696,509	635,085	640,898
Current Liabilities					
Trade and other payables	13	(94,399)	(94,404)	(90,888)	(90,929)
Contract liabilities	13	0	0	0	0
Other liabilities	13	0	0	0	0
Intangible current liabilities	13	0	0	0	0
Provisions	15	(15,512)	(15,512)	(18,475)	(18,475)
Total Current Liabilities		(109,911)	(109,916)	(109,363)	(109,404)
Total Assets less Current Liabilities		580,632	586,593	525,722	531,494
Non Current Liabilities					
Provisions	15	(38,188)	(38,188)	(43,420)	(43,420)
Other payables > 1 yr	13	0	0	0	0
Financial liabilities	7	0	0	0	0
Total Non Current Liabilities		(38,188)	(38,188)	(43,420)	(43,420)
Total Assets less Total Liabilities		542,444	548,405	482,302	488,074
Taxpayers' Equity and Other Reserves					
Revaluation reserve		128,763	128,763	119,325	119,325
SoCNE reserve		413,681	413,681	362,977	362,977
Other reserves - charitable fund			5,961		5,772
Total equity		542,444	548,405	482,302	488,074

The financial statements on pages 108 to 111 were approved by the Board on 5 June 2019 and were signed on behalf by:




Chairman
Date 5 June 2019

Chief Executive
Date 5 June 2019

The notes on pages 112 to 149 form part of these Accounts.

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Primary Statements

SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

CONSOLIDATED STATEMENT OF CASHFLOWS For the year ended 31 March 2019

The Statement of Cash Flows shows the changes in cash and cash equivalents of the SEHSCT during the reporting period. The statement shows how the SEHSCT 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 SEHSCT. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the SEHSCT future public service delivery.

	NOTE	2019 £000s	2018 £000s
Cash flows from operating activities			
Net surplus after interest/Net operating expenditure		(659,560)	(634,135)
Adjustments for non cash costs	3	20,963	37,427
(Increase)/decrease in trade and other receivables	12	(887)	2,041
<i>Less movements in receivables relating to items not passing through the NEA</i>			
Movements in receivables relating to the sale of property, plant and equipment		0	0
Movements in receivables relating to the sale of intangibles		0	0
Movements in receivables relating to finance leases		0	0
Movements in receivables relating to PFI and other service concession arrangement contracts		0	0
(Increase)/decrease in inventories	10	(379)	(117)
Increase/(decrease) in trade payables	13	3,475	8,595
<i>Less movements in payables relating to items not passing through the NEA</i>			
Movements in payables relating to the purchase of property, plant and equipment	13	1,437	(4,677)
Movements in payables relating to the purchase of intangibles	13	(6)	0
Movements in payables relating to finance leases		0	0
Movements in payables relating to PFI and other service concession arrangement contracts		0	0
Use of provisions	15	<u>(7,452)</u>	<u>(7,345)</u>
Net cash inflow/(outflow) from operating activities		(642,409)	(598,211)
Cash flows from investing activities			
(Purchase of property, plant & equipment)	5	(66,635)	(39,523)
(Purchase of intangible assets)	6	(1,143)	0
Proceeds of disposal of property, plant & equipment		684	2
Proceeds on disposal of intangibles		0	0
Proceeds on disposal of assets held for resale		0	0
Drawdown from investment fund	7	250	0
Share of income reinvested	7	<u>(136)</u>	<u>(137)</u>
Net cash outflow from investing activities		(66,980)	(39,658)
Cash flows from financing activities			
Grant in aid		710,000	637,570
Cap element of payments - finance leases and on balance sheet (SoFP) PFI and other service concession arrangements			
Net financing		710,000	637,570
Net increase (decrease) in cash & cash equivalents in the period		611	(299)
Cash & cash equivalents at the beginning of the period	11	1,911	2,210
Cash & cash equivalents at the end of the period	11	2,522	1,911

The notes on pages 112 to 149 form part of these accounts.

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Primary Statements

SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY For the year ended 31 March 2019

This statement shows the movement in the year on the different reserves held by the SEHSCT, analysed into 'General Fund Reserves' (i.e. those reserves that reflect a contribution from the Department of Health). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The SoCNE Reserve represents the total assets less liabilities of the SEHSCT, to the extent that the total is not represented by other reserves and financing items.

	NOTE	SoCNE Reserve £000s	Revaluation Reserve £000s	Charitable Fund £000s	Total £000s
Balance at 31 March 2017		359,422	95,921	5,984	461,327
Changes in Taxpayers Equity 2017-18					
Grant from DoH		637,570	0	0	637,570
Other reserves movements including transfers		0	0	0	0
(Comprehensive net expenditure for the year)		(634,058)	23,404	(212)	(610,866)
Transfer of asset ownership		0	0	0	0
Non cash charges - auditors remuneration	3	43	0	0	43
Movement - other		0	0	0	0
Balance at 31 March 2018		362,977	119,325	5,772	488,074
Changes in Taxpayers Equity 2018-19					
Grant from DoH		710,000	0	0	710,000
Other reserves movements including transfers		135	(135)	0	0
(Comprehensive net expenditure for the year)		(659,492)	9,573	189	(649,730)
Transfer of asset ownership		0	0	0	0
Non cash charges - auditors remuneration	3	61	0	0	61
Balance at 31 March 2019		413,681	128,763	5,961	548,405

The notes on pages 112 to 149 form part of these accounts.

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Notes to the Accounts

SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 1 STATEMENT OF ACCOUNTING POLICIES

1. Authority

These accounts have been prepared in a form determined by the Department of Health (DoH), 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 follow International Financial Reporting Standards (IFRS) to the extent that it is meaningful and appropriate to the Trust. Where a choice of accounting policy is permitted, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The Trust's accounting policies have been applied consistently, unless otherwise stated, in dealing with items considered material in relation to the accounts.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

1.2 Currency and Rounding

These accounts are presented in UK Pounds sterling. The figures in the accounts are shown to the nearest £1,000.

1.3 Property, Plant and Equipment

Property, plant and equipment assets comprise Land, Buildings, Dwellings, Transport Equipment, Plant & Machinery, Information Technology, Furniture & Fittings, and Assets under construction.

Recognition

Property, plant and equipment must be capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000 (or less if so desired);

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- Collectively, a number of items have a cost of at least £5,000 (or less if so desired) and individually have a cost of more than £1,000 (or less if so desired), where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

Valuation of Land and Buildings

Land and buildings are carried at the last professional valuation, in accordance with the Royal Institute of Chartered Surveyors (Statement of Asset Valuation Practice) Appraisal and Valuation Standards in so far as these are consistent with the specific needs of the Trust.

The last valuation was carried out on 31 January 2015 by Land and Property Services (LPS) which is an independent executive body within the Department of Finance. The valuers are qualified to meet the ‘Member of Royal Institution of Chartered Surveyors’ (MRICS) standard.

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

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

Fair values are determined as follows:

- Land and non-specialised buildings – open market value for existing use
- Specialised buildings – depreciated replacement cost; *and*
- Properties surplus to requirements – the lower of open market value less any material directly attributable selling costs, or book value at date of moving to non-current assets.

Modern Equivalent Asset

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 have included this requirement within the latest valuation.

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Assets Under Construction (AUC)

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

The Trust has no borrowing costs and, as such, no interest is capitalised in this respect.

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.

1.4 Depreciation

No depreciation is provided on freehold land since land has unlimited or a very long established useful life. Items under construction are not depreciated until they are commissioned. Properties that are surplus to requirements and which meet the definition of “non-current assets held for sale” are also not depreciated.

Otherwise, depreciation is charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. The following asset lives have been used.

Asset Type	Asset Life
Freehold Buildings	25 – 60 years
Leasehold property	Remaining period of lease
IT Assets	3 – 10 years
Intangible assets	3 – 10 years
Other Equipment	3 – 15 years

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1.5 Impairment Loss

If there has been an impairment loss due to a general change in prices, the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure within the Statement of Comprehensive Net Expenditure. If the impairment is due to the consumption of economic benefits the full amount of the impairment is charged to the Statement of Comprehensive Net Expenditure and an amount up to the value of the impairment in the revaluation reserve is transferred to the Statement of Comprehensive Net Expenditure Reserve. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited firstly to the Statement of Comprehensive Net Expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.6 Subsequent Expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure which meets the definition of capital restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

The overall useful life of the Trust's buildings takes account of the fact that different components of those buildings have different useful lives. This ensures that depreciation is charged on those assets at the same rate as if separate components had been identified and depreciated at different rates.

1.7 Intangible Assets

Intangible assets comprise software and licences. 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 asset. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and use it;
- the ability to sell or use the intangible asset;
- how the intangible asset will generate probable future economic benefits or service potential;
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it; *and*
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Trust's business or which arise from contractual or other legal rights. Intangible assets are considered to have a finite life. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; where the cost of the asset can be measured reliably. All single items over £5,000 in value must be capitalised while intangible assets which fall within the grouped asset definition must be capitalised if their individual value is at least £1,000 each and the group is at least £5,000 in value.

The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date of commencement of the intangible asset, until it is complete and ready for use.

Intangible assets acquired separately are initially recognised at fair value. Following initial recognition, intangible assets are carried at fair value by reference to an active market, and as no active market currently exists depreciated replacement cost has been used as fair value.

1.8 Non-current Assets Held For Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. In order to meet this definition IFRS 5 requires that the asset must be immediately available for sale in its current condition and that the sale is highly probable. A sale is regarded as highly probable where an active plan is in place to find a buyer for the asset and the sale is considered likely to be concluded within one year. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value, less any material directly attributable selling costs. Fair value is open market value, where one is available, including alternative uses. 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.

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1.09 Inventories

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

1.10 Income

Income is classified between Revenue from Contracts and Other Operating Income as assessed necessary in line with organisational activity, under the requirements of IFRS 15 and as applicable to the public sector. Judgement is exercised in order to determine whether the 5 essential criteria within the scope of IFRS 15 are met in order to define income as a contract.

Income relates directly to the activities of the Trust and is recognised when, and to the extent that, 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 with the right to receive payment is established.

In year of initial application, the introduction of IFRS 15 has not impacted on the timing of satisfying performance obligations of contracts in existence therefore the transaction price determined has not changed as a result of its introduction. The current impact of its introduction has resulted in reclassification of income based on consideration of whether there is a written, oral or implied contract in existence. Note 4 Income provides initial application disclosures in line with HM Treasury application guidance on transition to IFRS 15.

Grant in aid

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

1.11 Investments

The Charitable Trust Fund investments have been consolidated.

1.12 Research and Development expenditure

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

1.13 Other Expenses

Other operating expenses for goods or services are recognised when, and to the

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extent that, they have been received. They are measured at the fair value of the consideration payable.

1.14 Cash and Cash Equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.15 Leases

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

The Trust as lessee

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

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

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

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

The Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

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

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1.16 Private Finance Initiative (PFI) Transactions.

The South Eastern Health and Social Care Trust had no PFI transactions during the year.

1.17 Financial Instruments

- Financial Assets

Financial assets are recognised on the Statement of Financial Position when the Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value. IFRS 9 introduces the requirement to consider the expected credit loss model on financial assets. The measurement of the loss allowance depends upon the Trust's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument.

- Financial Liabilities

Financial liabilities are recognised on the Statement of Financial Position when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

- Financial Risk Management

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the relationships with HSC Commissioners, and the manner in which they are funded, financial instruments play a more limited role within Trusts in creating risk than would apply to a non-public sector body of a similar size, therefore Trusts are not exposed to the degree of financial risk faced by business entities.

Trusts have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing the Trusts in undertaking activities. Therefore the HSC is exposed to little credit, liquidity or market risk.

- Currency Risk

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

- Interest Rate Risk

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

- Credit Risk

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

- Liquidity Risk

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

1.18 Provisions

In accordance with IAS 37, Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties.

Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using DoF-issued discount rates of:

Rate	Time period	Real rate
Nominal	Short term (0 – 5 years)	0.76%
	Medium term (5 – 10 years)	1.14%
	Long term (10 - 40 years)	1.99%
	Very long term (40+ years)	1.99%
Inflationary	Year 1	2.00%
	Year 2	2.00%
	Into perpetuity	2.10%

as at 31 March 2019. Note that PES issued a combined nominal and inflation rate table to incorporate the two elements – please refer to this table as necessary, as included within issuing email of circular HSC(F) 39-2018.

The other main discount factor, which is only for Unfunded Public Service Pension Schemes and Early Departure Costs, is + 0.29% in real terms with effect from 31 March 2019.

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

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

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.19 Contingent liabilities/assets

In addition to contingent liabilities disclosed in accordance with IAS 37, the Trust discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

Under IAS 37, the Trust discloses contingent liabilities where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their

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present value.

1.20 Employee Benefits

Short-term Employee Benefits

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been estimated using average staff numbers and costs applied to the average untaken leave balance determined from the results of a survey to ascertain leave balances as at 31 March 2019. It is not anticipated that the level of untaken leave will vary significantly from year to year. Untaken flexi leave is estimated to be immaterial to the Trust and has not been included.

Retirement Benefit Costs

Past and present employees are covered by the HSC Superannuation Scheme. Under this multi-employer defined benefit scheme both the Trust and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DoH. The Trust is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis. Further information regarding the HSC Superannuation Scheme can be found in the HSC Superannuation Scheme Statement in the Departmental Resource Account for the Department of Health.

The costs of early retirements are met by the Trust and charged to the Statement of Comprehensive Net Expenditure at the time the Trust commits itself to the retirement.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the Statement of Financial Position date and updates it to reflect current conditions. The 2016 valuation for the HSC Pension scheme updated to reflect current financial conditions (and a change in financial assumption methodology) is used in the 2018-19 accounts.

1.21 Reserves

Statement of Comprehensive Net Expenditure Reserve

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

Revaluation Reserve

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

1.22 Value Added Tax

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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 non-current assets.

1.23 Third Party Assets

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

1.24 Government Grants

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

1.25 Losses and Special Payments

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

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

1.26 Charitable Trust Account Consolidation

HSC Trusts and ALBs are required to consolidate the accounts of controlled charitable organisations and funds held on trust into their financial statements. The HSC Trusts and ALBs have accounted for these transfers using merger accounting as required by the FReM.

It is important to note however the distinction between public funding and the other monies donated by private individuals still exists.

All funds have been used by South Eastern Health and Social Care Trust as intended by the benefactor. It is for the Gifts and Endowments/Charitable Trust Fund Committee within Trusts to manage the internal disbursements. The committee ensures that charitable donations received by the Trust are appropriately managed, invested, expended and controlled, in a manner that is consistent with the purposes for which they were given and with the Trust's Standing Financial Instructions, Departmental guidance and legislation.

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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. Charitable Trust Funds Accounts continue to be prepared and laid separately before the Assembly.

1.27 Accounting Standards That Have Been Issued But Have Not Yet Been Adopted

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

IFRS 16 Leases replaces IAS 17 Leases and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2020.

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2020-21, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may change as a result of the new Standards.

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

The Trust is managed by the 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, Chairman and Chief Executive form the Trust Board which coordinates the activities of the Trust and is considered to be the Chief operating Decision Maker. The information disclosed in this statement does not reflect budgetary performance and is based solely on expenditure information provided from the accounting system used to prepare the accounts.

All expenditure figures should be negatives e.g. non cash expenditure/total expenditure/net expenditure and then the final surplus/deficit figures would be the addition of the negative Net Spend figure and the positive Revenue Resource limit figure thereby arriving at £88k surplus this year (£34k Transformation and £54k Core Services) and £76k surplus last year.

<u>Directorate</u>	Staff Costs £000s	2019 Other Expenditure £000s	Total Expenditure £000s	Staff Costs £000s	2018 Other Expenditure £000s	Total Expenditure £000s
Hospital Services	(181,902)	(52,902)	(234,804)	(172,647)	(48,898)	(221,545)
Adult Services	(48,499)	(56,037)	(104,536)	(48,079)	(51,390)	(99,469)
Children's Services & Social Work	(43,193)	(28,237)	(71,430)	(40,840)	(27,050)	(67,890)
Primary & Elderly Services	(77,998)	(106,080)	(184,078)	(75,063)	(100,978)	(176,041)
Support Services & Other Trust Directorates	(47,755)	(25,954)	(73,709)	(44,666)	(23,211)	(67,877)
Transformation Services	(7,978)	(5,536)	(13,514)	0	0	0
Unallocated Expenditure	0	0	0	(5,439)	(374)	(5,813)
Expenditure for Reportable Segments net of Non Cash Expenditure	(407,325)	(274,746)	(682,071)	(386,734)	(251,901)	(638,635)
Non Cash Expenditure			(20,963)			(37,427)
Total Expenditure per Net Expenditure Account			(703,034)			(676,062)
Income Note 4			43,542			42,004
Net Expenditure			(659,492)			(634,058)
Revenue Resource Limit			659,580			634,134
Surplus / (Deficit) against RRL			88			76

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 3 EXPENDITURE

	2019 £000s		2018 £000s	
	Trust	Consolidated	Trust	Consolidated
Operating Expenses are as follows:-				
Staff costs ¹ :				
Wages and salaries	335,830	335,700	320,516	320,386
Social security costs	27,818	27,818	26,129	26,129
Other pension costs	43,677	43,677	40,089	40,089
Purchase of care from non-HSC bodies	154,034	154,034	143,446	143,446
Personal social services	14,229	14,229	13,330	13,330
Recharges from other HSC organisations	7,522	7,522	7,837	7,837
Supplies and services - Clinical	44,684	44,684	38,975	38,975
Supplies and services - General	6,919	6,919	6,390	6,390
Establishment	9,022	9,022	8,276	8,276
Transport	2,242	2,242	1,829	1,829
Premises	19,789	19,789	18,292	18,292
Bad debts	(118)	(118)	368	368
Rentals under operating leases	1,105	1,105	1,282	1,282
Interest charges	0	0	0	0
Research & development expenditure	200	200	100	100
BSO services	5,547	5,547	3,958	3,958
Training	1,206	1,206	1,005	1,005
Patients travelling expenses	125	125	128	128
Costs of exit packages provided for	0	0	0	0
Other charitable expenditure	0	406	0	424
Miscellaneous expenditure	8,240	8,240	6,685	6,685
Non cash items				
Depreciation	25,393	25,393	24,481	24,481
Amortisation	2,792	2,792	2,191	2,191
Impairments	(5,995)	(5,995)	(11,583)	(11,583)
(Profit) on disposal of property, plant & equipment (excluding profit on land)	(545)	(545)	3	3
Increase/Decrease in provisions (provisions provided for in year less any release)	(317)	(317)	22,542	22,542
Cost of borrowing of provisions (unwinding of discount on provisions)	(426)	(426)	(250)	(250)
Auditors remuneration	61	67	43	48
Add back of notional charitable expenditure	0	(6)	0	(5)
Total	703,034	703,310	676,062	676,356

¹ Further detailed analysis of staff costs is located in the Staff Report on page 94 within the Accountability Report.

During the year the Trust purchased £2,532 of non-audit services from its external auditor, NIAO, for National Fraud Initiative (NFI) work.

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 4 INCOME

4.1 Revenue from contracts with customers	2019		2018	
	£000s		£000s	
	Trust	Consolidated	Trust	Consolidated
GB/Republic of Ireland Health Authorities	0	0	0	0
HSC Trusts	1	1	9	9
Non-HSC:- Private patients	470	470	398	398
Non-HSC:- Other	1,765	1,765	1,421	1,421
Supported People Income - NIHE	2,056	2,056	1,873	1,873
Clients contributions	28,443	28,443	27,426	27,426
Seconded staff	3,584	3,454	3,762	3,632
Research and development	200	200	100	100
Revenue from non-patient services	2,962	2,962	2,921	2,921
Total	39,481	39,351	37,910	37,780

4.2 Other Operating Income	2019		2018	
	£000s		£000s	
	Trust	Consolidated	Trust	Consolidated
Other income from non-patient services	4,007	4,007	3,906	3,906
Charitable and other contributions to expenditure by core trust	5	5	68	68
Donations / Government grant / Lottery funding for non current assets	49	49	120	120
Charitable income received by charitable trust fund	0	202	0	210
Investment income	0	136	0	137
Profit on disposal of land	0	0	0	0
Interest receivable	0	0	0	0
Total	4,061	4,399	4,094	4,441

TOTAL INCOME	43,542	43,750	42,004	42,221
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This is the initial year of application of IFRS 15 Revenue from Contracts with Customers. Under IAS 18 Revenue, should IFRS 15 not have been adopted, £32,783k would have been disclosed as Income from activities and £10,759k as Other operating income, totalling £43,542k income for 2018-19. Refer to accounting policy note 1.10 for further information.

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 5.1 Consolidated Property, Plant & Equipment - year ended 31 March 2019

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Cost or Valuation									
At 1 April 2018	49,154	457,612	39,696	65,050	75,956	6,165	42,112	4,819	740,564
Indexation	344	9,318	1,115	0	842	96	0	50	11,765
Additions	19	4,672	585	49,121	6,498	853	3,301	98	65,147
Donations / Government grant / Lottery funding	0	0	0	0	49	0	0	0	49
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	249	1	0	0	0	0	0	0	250
Revaluation exercise accumulated depreciation adjustment	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
Impairment charged to the SoCNE	0	0	0	0	0	0	0	0	0
Impairment charged to the revaluation reserve	0	0	0	0	0	0	0	0	0
Reversal of impairments (indexn)	2,109	3,980	46	0	75	0	0	24	6,234
Disposals	0	0	0	0	(836)	(87)	0	0	(923)
	51,875	475,584	41,442	114,171	82,584	7,027	45,413	4,991	823,087

At 31 March 2019

Depreciation									
At 1 April 2018	0	42,672	3,537	0	50,083	3,728	32,693	3,612	136,325
Indexation	0	1,357	121	0	608	66	0	40	2,192
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Revaluation exercise accumulated depreciation adjustment	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
Impairment charged to the SoCNE	0	0	0	0	0	0	0	0	0
Impairment charged to the revaluation reserve	0	0	0	0	0	0	0	0	0
Reversal of impairments (indexn)	0	162	4	0	54	0	0	19	239
Disposals	0	0	0	0	(836)	(78)	0	0	(914)
Provided during the year	0	13,104	1,043	0	6,758	745	3,441	302	25,393
	0	57,295	4,705	0	56,667	4,461	36,134	3,973	163,235

At 31 March 2019

Carrying Amount									
At 31 March 2019	51,875	418,289	36,737	114,171	25,917	2,566	9,279	1,018	659,852
At 31 March 2018	49,154	414,940	36,159	65,050	25,873	2,437	9,419	1,207	604,239

Asset financing

Owncd	51,875	418,289	36,737	114,171	25,917	2,566	9,279	1,018	659,852
Finance leased	0	0	0	0	0	0	0	0	0
On B/S (SoFP) PFI and other service concession arrangements contracts	0	0	0	0	0	0	0	0	0

Carrying Amount

At 31 March 2019	51,875	418,289	36,737	114,171	25,917	2,566	9,279	1,018	659,852
Of which:									
Trust	51,775	418,289	36,737	114,171	25,917	2,566	9,279	1,018	659,752
Charitable Trust fund	100	0	0	0	0	0	0	0	100

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure in respect of assets held under finance leases and hire purchase contracts is £0 (2017/18, £0).

The fair value of assets funded from the following sources

	2019 £000s	2018 £000s
during the year was:		
Donations	49	120
Government grant	0	0
Lottery funding	0	0

SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019
NOTE 5.2 Consolidated Property, Plant & Equipment - year ended 31 March 2018**

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	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 2017	46,816	421,416	36,639	34,165	71,950	5,839	39,901	4,507	661,233
Indexation	325	22,531	2,651	0	1,252	222	0	(34)	26,947
Additions	0	3,862	254	30,885	2,514	132	2,211	369	40,227
Donations / Government grant / Lottery funding	0	0	0	0	120	0	0	0	120
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	1	0	0	0	0	0	0	1
Revaluation exercise accumulated depreciation adjustment	0	1	0	0	0	0	0	0	1
Revaluation	0	0	0	0	0	0	0	0	0
Impairment charged to the SoCNE	0	0	0	0	0	0	0	0	0
Impairment charged to the revaluation reserve	0	0	0	0	0	0	0	(23)	(23)
Reversal of impairments (index)	2,013	9,801	152	0	120	0	0	0	12,086
Disposals	0	0	0	0	0	(28)	0	0	(28)
At 31 March 2018	49,154	457,612	39,696	65,050	75,956	6,165	42,112	4,819	740,564
Depreciation									
At 1 April 2017	0	27,624	2,320	0	42,594	2,848	29,096	3,362	107,844
Indexation	0	2,393	221	0	825	130	0	(26)	3,543
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Revaluation exercise accumulated depreciation adjustment	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
Impairment charged to the SoCNE	0	0	0	0	0	0	0	0	0
Impairment charged to the revaluation reserve	0	0	0	0	0	0	0	(18)	(18)
Reversal of impairments (index)	0	407	12	0	79	0	0	0	498
Disposals	0	0	0	0	0	(23)	0	0	(23)
Provided during the year	0	12,248	984	0	6,585	775	3,597	294	24,481
At 31 March 2018	0	42,672	3,537	0	50,083	3,728	32,693	3,612	136,325
Carrying Amount									
At 31 March 2018	49,154	414,940	36,159	65,050	25,873	2,437	9,419	1,207	604,239
Asset financing									
Owned	49,154	414,940	36,159	65,050	25,873	2,437	9,419	1,207	604,239
Finance leased	0	0	0	0	0	0	0	0	0
On B/S (SoFP) PFI and other service concession arrangements contracts	0	0	0	0	0	0	0	0	0
Carrying Amount									
At 31 March 2018	49,154	414,940	36,159	65,050	25,873	2,437	9,419	1,207	604,239
Asset financing									
Owned	46,816	393,792	34,319	34,165	29,356	2,991	10,805	1,145	553,389
Finance leased	0	0	0	0	0	0	0	0	0
On B/S (SoFP) PFI and other service concession arrangements contracts	0	0	0	0	0	0	0	0	0
Carrying Amount									
At 1 April 2017	46,816	393,792	34,319	34,165	29,356	2,991	10,805	1,145	553,389
Carrying amount comprises:									
Trust at 31 March 2019	51,775	418,289	36,737	114,171	25,917	2,566	9,279	1,018	659,752
Charitable Trust Fund at 31 March 2019	100	0	0	0	0	0	0	0	100
Trust at 31 March 2018	51,875	418,289	36,737	114,171	25,917	2,566	9,279	1,018	659,852
Charitable Trust Fund at 31 March 2018	100	0	0	0	0	0	0	0	100
Trust at 31 March 2017	46,716	393,792	34,319	34,165	29,356	2,991	10,805	1,145	553,289
Charitable Trust Fund at 31 March 2017	100	0	0	0	0	0	0	0	100
Trust at 31 March 2018	46,816	393,792	34,319	34,165	29,356	2,991	10,805	1,145	553,389
Charitable Trust Fund at 31 March 2018	100	0	0	0	0	0	0	0	100

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 6.1 Consolidated Intangible Assets - year ended 31 March 2019

	Software Licenses £000s	Total £000s
Cost or Valuation		
At 1 April 2018	16,645	16,645
Indexation	0	0
Additions	1,149	1,149
Donations / Government grant / Lottery funding	0	0
Reclassifications	0	0
Transfers	0	0
Revaluation	0	0
Impairment charged to the SoCNE	0	0
Impairment charged to the revaluation reserve	0	0
Disposals	0	0
At 31 March 2019	17,794	17,794
Amortisation		
At 1 April 2018	8,203	8,203
Indexation	0	0
Reclassifications	0	0
Transfers	0	0
Revaluation	0	0
Impairment charged to the SoCNE	0	0
Impairment charged to the revaluation reserve	0	0
Disposals	0	0
Provided during the year	2,792	2,792
At 31 March 2019	10,995	10,995
Carrying Amount		
At 31 March 2019	6,799	6,799
At 31 March 2018	8,442	8,442
Asset financing		
Owned	6,799	6,799
Finance leased	0	0
On B/S (SoFP) PFI and other service concession arrangements contracts	0	0
Carrying Amount		
At 31 March 2019	6,799	6,799

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

	2019 £000s
Donations	0
Government grant	0
Lottery funding	0

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 6.2 Consolidated Intangibles Assets - year ended 31 March 2018

	Software Licenses £000s	Total £000s
Cost or Valuation		
At 1 April 2017	12,794	12,794
Indexation	0	0
Additions	3,851	3,851
Donations / Government grant / Lottery funding	0	0
Reclassifications	0	0
Transfers	0	0
Revaluation	0	0
Impairment charged to the SoCNE	0	0
Impairment charged to the revaluation reserve	0	0
Disposals	0	0
At 31 March 2018	16,645	16,645
Amortisation		
At 1 April 2017	6,012	6,012
Indexation	0	0
Reclassifications	0	0
Transfers	0	0
Revaluation	0	0
Impairment charged to the SoCNE	0	0
Impairment charged to the revaluation reserve	0	0
Disposals	0	0
Provided during the year	2,191	2,191
At 31 March 2018	8,203	8,203
Carrying Amount		
At 31 March 2018	8,442	8,442
At 1 April 2017	6,782	6,782
Asset financing		
Owned	8,442	8,442
Finance leased	0	0
On B/S (SoFP) PFI and other service concession arrangements contracts	0	0
Carrying Amount		
At 31 March 2018	8,442	8,442
Asset financing		
Owned	6,782	6,782
Finance leased	0	0
On B/S (SoFP) PFI and other service concession arrangements contracts	0	0
Carrying Amount		
At 1 April 2017	6,782	6,782
Carrying amount comprises:		
Trust at 31 March 2019	6,799	6,799
Charitable Trust Fund at 31 March 2019	0	0
	6,799	6,799
Trust at 31 March 2018	8,442	8,442
Charitable Trust Fund at 31 March 2018	0	0
	8,442	8,442
Trust at 31 March 2017	6,782	6,782
Charitable Trust Fund at 31 March 2017	0	0
	6,782	6,782

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 7 FINANCIAL INSTRUMENTS

As the cash requirements of the South Eastern Health and Social Care Trust are met through Grant-in-Aid provided by the Department of Health, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Trusts expected purchase and usage requirements and the Trust is therefore exposed to little credit, liquidity or market risk.

	2019			2018		
	Non Current Assets £000s	Assets £000s	Liabilities £000s	Non Current Assets £000s	Assets £000s	Liabilities £000s
Balance at 1 April	5,551	0	0	5,549	0	0
Net cash inflow/(outflow)	(250)	0	0	0	0	0
Share of income	136	0	0	137	0	0
Share of realised gains/(losses)	74	0	0	7	0	0
Share of unrealised gains/(losses)	183	0	0	(142)	0	0
Balance at 31 March	<u>5,694</u>	<u>0</u>	<u>0</u>	<u>5,551</u>	<u>0</u>	<u>0</u>
Trust	0	0	0	0	0	0
Charitable trust fund	5,694	0	0	5,551	0	0
	<u>5,694</u>	<u>0</u>	<u>0</u>	<u>5,551</u>	<u>0</u>	<u>0</u>

NOTE 7.1 Market value of investments as at 31 March 2019

	Held in UK £000s	Held outside UK £000s	2019 Total £000s	2018 Total £000s
Investment properties	0	0	0	0
Investments listed on Stock Exchange	0	0	0	0
Investments in CIF	5,694	0	5,694	5,551
Investments in a Common Deposit Fund or Investment Fund	0	0	0	0
Unlisted securities	0	0	0	0
Cash held as part of the investment	0	0	0	0
Investments in connected bodies	0	0	0	0
Other investments	0	0	0	0
Total market value of fixed asset investments	<u>5,694</u>	<u>0</u>	<u>5,694</u>	<u>5,551</u>

Analysis of expected timing of discounted flows

	Non-Current £000s	Assets £000s	Liabilities £000s	Non-Current Assets £000s	Assets £000s	Liabilities £000s
Not later than one year	0	0	0	0	0	0
Later than one year and not later than five years	5,694			5,551		
	<u>5,694</u>	<u>0</u>	<u>0</u>	<u>5,551</u>	<u>0</u>	<u>0</u>

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 8 IMPAIRMENTS

	2019		
Property, plant & equipment £000s	Intangibles £000s	Total £000s	
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	0	0	0
Impairments charged / (credited) to Statement of Comprehensive Net Expenditure	(5,995)	0	(5,995)
Total value of impairments for the period	(5,995)	0	(5,995)
	2018		
Property, plant & equipment £000s	Intangibles £000s	Total £000s	
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	0	0	0
Impairments charged / (credited) to Statement of Comprehensive Net Expenditure	(11,588)	0	(11,588)
Total value of impairments for the period	(11,583)	0	(11,583)

Any fall in value through negative indexation or revaluation is shown as an impairment. The reversal of impairment of £6m for 2018-19 relates to Indexation. This is per guidance from the Department of Health. Indices are provided by Land and Property Services (LPS) as detailed in Note 1.5.

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 9 ASSETS CLASSIFIED AS HELD FOR SALE

	Land		Buildings		Total	
	2019 £000s	2018 £000s	2019 £000s	2018 £000s	2019 £000s	2018 £000s
Cost						
At 1 April	379	379	0	0	379	379
Transfers in	0	0	0	0	0	0
Transfers out	(249)	0	0	0	(249)	0
Revaluations	0	0	0	0	0	0
(Disposals)	(130)	0	0	0	(130)	0
Impairment charged to the SoCNE	0	0	0	0	0	0
Impairment charged to the revaluation reserve	0	0	0	0	0	0
At 31 March	<u>0</u>	<u>379</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>379</u>
Depreciation						
At 1 April	0	0	0	0	0	0
Transfers in	0	0	0	0	0	0
Transfers out	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0
(Disposals)	0	0	0	0	0	0
Impairment charged to the SoCNE	0	0	0	0	0	0
Impairment charged to the revaluation reserve	0	0	0	0	0	0
At 31 March	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Carrying amount at 31 March	<u>0</u>	<u>379</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>379</u>

At 31 March 2019 Non-Current Assets as Held for Sale are £0.

These previously comprised fields at 21, 22, 23 & 24 Ardglass Road, Downpatrick (37-38 acres) which, for Legal reasons (at the 31 March 2019), will not be sold within the next financial year. This Asset(s) has therefore have been transferred back to the Fixed Asset of Land (see note 5.1).

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 10 INVENTORIES

Classification	2019 £000s		2018 £000s	
	Trust	Consolidated	Trust	Consolidated
Pharmacy supplies	2,139	2,139	1,682	1,682
Theatre equipment	556	556	602	602
Building & engineering supplies	0	0	0	0
Fuel	258	258	244	244
Laboratory materials	263	263	234	234
Laundry	2	2	59	59
X-Ray	0	0	18	18
Stock held for resale	0	0	0	0
Orthopaedic equipment	0	0	0	0
Total	3,218	3,218	2,839	2,839

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 11 CASH AND CASH EQUIVALENTS

	2019 £000s		2018 £000s	
	Core Trust	Consolidated	Core Trust	Consolidated
Balance at 1st April	1,780	1,911	1,817	2,210
Net change in cash and cash equivalents	590	611	(37)	(299)
Balance at 31st March	2,370	2,522	1,780	1,911

	2019 £000s		2018 £000s	
	Core Trust	Consolidated	Core Trust	Consolidated
The following balances at 31 March were held at				
Commercial banks and cash in hand	2,370	2,522	1,780	1,911
Balance at 31st March	2,370	2,522	1,780	1,911

NOTE 11.1 Reconciliation of Liabilities arising from Financing Activities

There are no liabilities arising from financing activities during 2018/19 (none during 2017/18).

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 12 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2019		2018	
	£000s		£000s	
	Trust	Consolidated	Trust	Consolidated
Amounts falling due within one year				
Trade receivables	0	0	366	366
Deposits and advances	2	2	1	1
VAT receivable	5,799	5,799	4,750	4,750
Other receivables - not relating to fixed assets	10,675	10,695	10,698	10,729
Other receivables - relating to property plant and equipment	0	0	0	0
Other receivables - relating to intangibles	0	0	0	0
Trade and other receivables	16,476	16,496	15,815	15,846
Prepayments	1,928	1,928	1,691	1,691
Accrued income				
Contract assets	0	0	0	0
Current part of PFI and other service concession arrangements prepayment	0	0	0	0
Other current assets	1,928	1,928	1,691	1,691
Carbon reduction commitment	0	0	0	0
Intangible current assets	0	0	0	0
Prepayments and accrued income	0	0	0	0
Other current assets falling due after more than one year	0	0	0	0
TOTAL TRADE AND OTHER RECEIVABLES	16,476	16,496	15,815	15,846
TOTAL OTHER CURRENT ASSETS	1,928	1,928	1,691	1,691
TOTAL INTANGIBLE CURRENT ASSETS	0	0	0	0
TOTAL RECEIVABLES AND OTHER CURRENT ASSETS	18,404	18,424	17,506	17,537

The balances are net of a provision for bad debts of £2,569k (2017, £2,688k).

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 13.1 TRADE PAYABLES, FINANCIAL AND OTHER LIABILITIES

	2019		2018	
	£000s		£000s	
Amounts falling due within one year	Trust	Consolidated	Trust	Consolidated
Other taxation and social security	13,479	13,479	12,954	12,954
Trade capital payables - property, plant and equipment	17,913	17,913	19,350	19,350
Trade capital payables - intangibles	6	6	0	0
Trade revenue payables	5,960	5,960	2,655	2,655
Payroll payables	12,362	12,362	14,395	14,395
Clinical negligence payables	330	330	758	758
Voluntary Early Retirement payables	188	188	511	511
BSO payables	6,372	6,372	6,283	6,283
Other payables	4,177	4,182	5,510	5,551
Accruals	33,265	33,265	28,109	28,109
Deferred income	347	347	363	363
Accruals and deferred income - relating to property, plant and equipment	0	0	0	0
Accruals and deferred income - relating to intangibles	0	0	0	0
Contract liabilities	0	0	0	0
Trade and other payables	94,399	94,404	90,888	90,929
Current part of finance leases	0	0	0	0
Current part of long term loans	0	0	0	0
Current part of imputed finance lease element of PFI contracts and other service concession arrangements	0	0	0	0
Other current liabilities	0	0	0	0
Carbon reduction commitment	0	0	0	0
Intangible current liabilities	0	0	0	0
Total payables falling due within one year	94,399	94,404	90,888	90,929
TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES	94,399	94,404	90,888	90,929

13.2 Loans

The Trust did not have any loans payable at either 31 March 2019 or 31 March 2018.

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 14 PROMPT PAYMENT POLICY

14.1 Public Sector Payment Policy - Measure of Compliance

The Department requires that Trust pay their non HSC trade creditors in accordance with the Better Payments Practice Code and Government Accounting Rules. The Trust's payment policy is consistent with the Better Payments Practice code and Government Accounting rules and its measure of compliance is:

	2019 Number	2019 Value £000s	2018 Number	2018 Value £000s
Total bills paid	257,715	393,526	247,107	354,316
Total bills paid within 30 days of receipt of an undisputed invoice*	244,357	372,404	226,960	328,852
% of bills paid within 30 days of receipt of an undisputed invoice	<u>94.8%</u>	<u>94.6%</u>	<u>91.8%</u>	<u>92.8%</u>
Total bills paid within 10 day target	209,462	325,282	186,449	276,566
% of bills paid within 10 day target	<u>81.3%</u>	<u>82.7%</u>	<u>75.5%</u>	<u>78.1%</u>

14.2 The Late Payment of Commercial Debts Regulations 2002

Amount of compensation paid for payment(s) being late	£ 0
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This is also reflected as a fruitless payment in the Annual Report: Losses and Special Payments.

The payments function transferred to BSO Shared Services during 2014-15.

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

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

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 15 PROVISIONS FOR LIABILITIES AND CHARGES - 2019

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical negligence £000s	Early departure £000s	Other £000s	2019 £000s
Balance at 1 April 2018	0	6,429	53,543	0	1,923	61,895
Provided in year	0	40	8,436	0	735	9,211
(Provisions not required written back) *	0	(319)	(8,822)	0	(387)	(9,528)
(Provisions utilised in the year)	0	(362)	(6,443)	0	(647)	(7,452)
Cost of borrowing (unwinding of discount)	0	19	(411)	0	(34)	(426)
At 31 March 2019	0	5,807	46,303	0	1,590	53,700

* 'Provision not required written back' primarily relates to the change in discount rates.

Comprehensive Net Expenditure Account charges	2019 £000s	2018 £'000
Arising during the year	9,211	24,579
Reversed unused	(9,528)	(2,037)
Cost of borrowing (unwinding of discount)	(426)	(250)
Total charge within Operating expenses	(743)	22,292

Analysis of expected timing of discounted flows

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical negligence £000s	Early departure £000s	Other £000s	2019 £000s
Not later than one year	0	360	14,044	0	1,108	15,512
Later than one year and not later than five years		1,448	9,966		482	11,896
Later than five years		3,999	22,293		0	26,292
At 31 March 2019	0	5,807	46,303	0	1,590	53,700

Provisions have been made of 3 types of potential liability: Clinical Negligence, Other - Employer's and Occupier's Liability and thirdly, Pensions Early Retirement and Injury Benefit. The provision for Early Retirement and Injury Benefit relates to the future liabilities for the Trust based on information provided by the HSC Superannuation Branch. For Clinical Negligence, Employer's and Occupier's claims and Employment Law the Trust has estimated an appropriate level of provision based on professional legal advice.

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 15 PROVISIONS FOR LIABILITIES AND CHARGES – 2018

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical negligence £000s	Early departure £000s	Other £000s	2018 £000s
Balance at 1 April 2017	0	6,845	38,438	0	1,665	46,948
Provided in year	0	129	23,156	0	1,294	24,579
(Provisions not required written back)	0	(333)	(1,364)	0	(340)	(2,037)
(Provisions utilised in the year)	0	(372)	(6,321)	0	(652)	(7,345)
Cost of borrowing (unwinding of discount)	0	160	(366)	0	(44)	(250)
At 31 March 2018	0	6,429	53,543	0	1,923	61,895

Analysis of expected timing of discounted flows

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical negligence £000s	Early departure £000s	Other £000s	2018 £000s
Not later than one year	0	368	16,210	0	1,897	18,475
Later than one year and not later than five years		1,858	16,463		26	18,347
Later than five years		4,203	20,870		0	25,073
At 31 March 2018	0	6,429	53,543	0	1,923	61,895

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 16 CAPITAL COMMITMENTS

	2019	2018
	£000s	£000s
Property, plant & equipment	14,251	70,682
Intangible assets	0	0
	<u>14,251</u>	<u>70,682</u>

The reduction in capital commitments reflect the stage of the Ulster Hospital redevelopment programme.

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 17 COMMITMENTS UNDER LEASES

17.1 Finance Leases

The Trust does not have any finance leases at either 31 March 2019 or 31 March 2018.

17.2 Operating Leases

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

	2019 £000s	2018 £000s
Obligations under operating leases comprise		
Land		
Not later than 1 year	0	0
Later than 1 year and not later than 5 years	0	0
Later than 5 years	0	0
	0	0
Buildings		
Not later than 1 year	116	24
Later than 1 year and not later than 5 years	48	27
Later than 5 years	0	0
	164	51
Other		
Not later than 1 year	910	983
Later than 1 year and not later than 5 years	1,602	1,384
Later than 5 years	0	0
	2,512	2,367

17.3 Operating Leases Under Lessor Arrangements

Total future minimum lease income under operating leases are given in the table below for each of the following periods.

	2019 £000s	2018 £000s
Obligations under operating leases issued by the Trust comprise		
Land & Buildings		
Not later than 1 year	20	29
Later than 1 year and not later than 5 years	6	11
Later than 5 years	0	0
	26	40
Other		
Not later than 1 year	0	0
Later than 1 year and not later than 5 years	0	0
Later than 5 years	0	0
	0	0

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 18 COMMITMENTS UNDER PFI CONTRACTS AND OTHER SERVICE CONCESSION ARRANGEMENTS

18.1 Off balance sheet PFI contracts and other service concession arrangements

The Trust has no off balance sheet PFI contracts or other service concession arrangements schemes (£0, 2017/18).

18.2 On balance sheet (SoFP) PFI Contracts

The Trust has no on balance sheet (SoFP) PFI contracts and other service concession arrangements schemes (£0, 2017/18).

18.3 Future PFI Commitments

The contract for a new Primary and Community Care Centre at Lagan Valley Hospital site, under a 3rd Party Development project, was signed in October 2018 following completion of a comprehensive negotiation process. The contract will become a commitment upon satisfactory completion of the building, which is currently estimated to be in April 2021.

It is therefore expected that commitment to make payments under the on-balance sheet 3PD Agreement will commence from April 2021. The first annual amount payable under the contract agreement is £2.833m per annum (unindexed) for the duration of a 25 year concession.

NOTE 19 OTHER FINANCIAL COMMITMENTS

The Trust did not have any other financial commitments at either 31 March 2019 or 31 March 2018.

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 20 CONTINGENT LIABILITIES (AUDITED)

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.

	2019 £000s	2018 £000s
Clinical negligence	2,378	2,855
Public liability	35	24
Employers' liability	152	113
Accrued leave		
Injury benefit		
Other	9	5
Total	<u>2,574</u>	<u>2,997</u>

The discount rate which courts in England and Wales must take into account when awarding compensation for future financial losses in a lump sum in personal injury cases changed to -0.75% in March 2017. The Government subsequently legislated to change how the rate in England and Wales is set and the first review of the rate in that jurisdiction under the new legal framework introduced by the Civil Liability Act 2018 is being carried out. The Department of Justice has power to prescribe the discount rate for Northern Ireland (in consultation with the Government Actuary and the Department of Finance). Secondary legislation to change the discount rate for Northern Ireland under the current legal framework has not been taken forward in the absence of a Minister, although the Department of Justice is keeping the rate under review in the context of the Northern Ireland (Executive Formation and Exercise of Functions) Act 2018 and having regard to ongoing legislative developments in the rest of the UK. In these circumstances, it has not been possible at this time to quantify the potential impact on South Eastern H&SC Trust of any change in the discount rate. Changing the legal framework for setting the rate in Northern Ireland would require primary legislation.

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

On 17 June 2019 the Court of Appeal ruled in respect of Northern Ireland Industrial Tribunal's November 2018 decision on cases taken against the PSNI on backdated Holiday Pay. It is recognised that the final detail remains to be determined by the Industrial Tribunal who will be guided by the Court of Appeal's Judgement. This is an extremely rare and complex case with a significant number of issues that still need to be

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resolved, including further legal advice with regards to the Judgement; the scope; timescales; process of appeals and engagement with Trade Unions. The legal issues arising from this judgment and the implications for the Northern Ireland Civil Service (NICS) and wider public sector will need further consideration. The Department of Finance (DoF) is leading a piece of work across the NICS, reviewing the implications for each of the major staffing groups across the public sector. Until there is further clarity when this work has concluded, and based on the inherent uncertainties in the final decision that will be made, a reliable estimate cannot be provided at this stage.

NOTE 20.1 FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT

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

NOTE 21 RELATED PARTY TRANSACTIONS

The South Eastern Health and Social Care Trust is an arms length body of the Department of Health, and as such the Department is a related Party and the ultimate controlling parent with which the Trust has had various material transactions during the year. The Trust has received income during the year of £682 million (£637million 2017/18). During the year the Trust has had a number of material transactions with other entities for which the Department is regarded as the ultimate controlling parent. These entities include the Health and Social Care Board, the other five HSC Trusts and the Business Services Organisation.

The Trust is required to disclose details of material transactions with individuals who are regarded as related parties consistent with the requirements of IAS 24 Related Party Disclosures. This disclosure is recorded in the Trust's Register of Interests which is maintained by the Office of the Chief Executive and is available for inspection by members of the public.

Both this year and last year, none of the board members, members of the key management staff or other related parties has undertaken any material transactions with the South Eastern Health and Social Care Trust.

NOTE 22 THIRD PARTY ASSESTS

The Trust held £4,242k cash at bank and in hand at 31 March 2019 (page 152) which relates to monies held by the Trust on behalf of patients (£4,094k, 2017/18). This has been excluded from the cash at bank and in hand amounts reported in the accounts. A separate audited account of these monies is maintained by the Trust.

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 23 FINANCIAL PERFORMANCE TARGETS

23.1 Revenue Resource Limit

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

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

	2019 Total £000s	2018 Total £000s
HSCB	623,801	583,766
PHA	4,292	4,038
SUMDE & NIMDTA	8,420	7,411
DoH (excludes non cash)	1,517	1,038
Other Government Departments	0	0
Non cash RRL (from DoH)	20,963	37,427
Total agreed RRL	658,993	633,680
Adjustment for income received re Donations / Government grant / Lottery funding for non current assets	(49)	(120)
Adjustment for Research and Development under ESA10	636	574
Total Revenue Resource Limit to Statement Comprehensive Net Expenditure	659,580	634,134

23.2 Capital Resource Limit

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

	2019 Total £000s	2018 Total £000s
Gross capital expenditure	66,345	44,198
Less charitable trust fund capital expenditure	(49)	(120)
(Receipts from sale of fixed assets)	(139)	(5)
Net capital expenditure	66,157	44,073
Capital Resource Limit	66,805	44,664
Adjustment for Research and Development under ESA10	(636)	(574)
Overspend/(Underspend) against CRL	(12)	(17)

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Notes to the Accounts

SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 23.3 Financial Performance Targets

The Trust is required to ensure that it breaks even on an annual basis by containing its net expenditure to within 0.25 % of RRL limits.

	2018/19	2017/18
	£000s	£000s
Net Expenditure	(659,492)	(634,058)
RRL	659,580	634,134
Surplus / (Deficit) against RRL	88	76
Break Even cumulative position(opening)	(3,593)	(3,669)
Break Even cumulative position (closing)	<u>(3,505)</u>	<u>(3,593)</u>

Materiality Test:

	2018/19	2017/18
	%	%
Break Even in year position as % of RRL	<u>0.01%</u>	<u>0.01%</u>
Break Even cumulative position as % of RRL	<u>-0.53%</u>	<u>-0.57%</u>

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SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 24 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period having a material effect on the accounts.

NOTE 25 DATE AUTHORISED FOR ISSUE

The Accounting Officer authorised these financial statements for issue on 26 June 2019.

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Patient & Resident Monies Accounts

SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

**PATIENTS'/ RESIDENTS MONIES ACCOUNTS FOR THE YEAR ENDED 31
MARCH 2019**

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Patient & Resident Monies Accounts

STATEMENT OF TRUSTS RESPONSIBILITIES IN RELATION TO PATIENTS/RESIDENTS MONIES

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

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

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Patient & Resident Monies Accounts

SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

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

Opinion on account

I certify that I have audited South Eastern Health and Social Care Trust's account of monies held on behalf of patients and residents for the year ended 31 March 2019 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 South Eastern Health and Social Care Trust for the year ended 31 March 2019 and balances held at that date; and
- the account has been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the financial transactions recorded in the account statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the account section of this certificate. My staff and I are independent of the South Eastern Health and Social Care Trust in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Responsibilities of the Trust for the account

The South Eastern Health and Social Care Trust is responsible for the preparation of the account.

Auditor's responsibilities for the audit of the account

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

My objectives are to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the financial transactions recorded in the account conform to the authorities which govern them.

Annual Accounts

Patient & Resident Monies Accounts

SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

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; or
- the account is not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on this account.



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

26 June 2019

Annual Accounts

Patient & Resident Monies Accounts

SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

PATIENTS'/ RESIDENTS MONIES ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

Previous Year	RECEIPTS	£	Current Year
£	<u>Balance at 1 April 2018</u>	£	£
3,979,238	1. Investments (at cost)	-	
2,000	2. Cash at Bank	4,092,084	4,094,084
	3. Cash in Hand	2,000	
4,105,401	Amounts Received in the Year		4,047,805
	Interest Received		-
8,086,639	TOTAL		8,141,889
Previous Year	PAYMENTS	£	Current Year
£	Amounts Paid to or on behalf of Patients/Residents	£	£
3,992,555	<u>Balance at 31 March 2019</u>		3,899,885
-	1. Investments (at cost)		
4,092,084	2. Cash at Bank	4,240,004	
2,000	3. Cash in Hand	2,000	4,242,004
8,086,639	TOTAL		8,141,889
Schedule of investments held at 31 March 2019			
	Investment	Nominal Value	Cost Price
-		£	£
		-	-

Cost Price	Schedule investments held at March 2019	Nominal value	Cost Price
£		£	£
-	Investment	-	-

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



Director of Finance
Date 5 June 2019

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



Chief Executive
Date 5 June 2019

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Designed by Communications Department