

WESTERN HEALTH AND SOCIAL CARE TRUST
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

Laid before the Northern Ireland Assembly under Article 90(5) of the Health and Personal Social Services (NI) Order 1972 by the Department of Health (formerly known as the Department of Health, Social Services and Public Safety)

On

30th June 2017

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1.0 PERFORMANCE REPORT

1.1 Performance Overview

1.1.1 Purpose and Activities

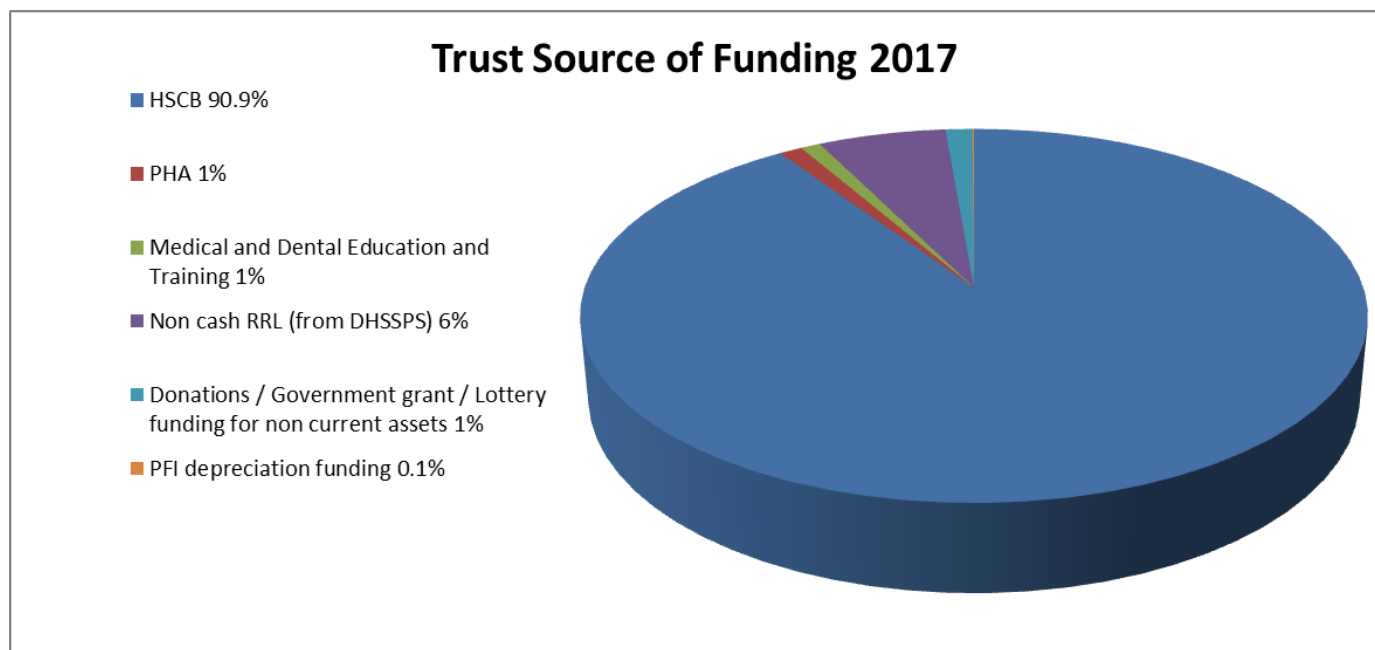
The Western Health and Social Care Trust is a statutory body that was established on 1 April 2007 following the Review of Public Administration. The Trust brought together the delivery of Health and Social Care that was previously provided by three separate Trusts: Altnagelvin Hospitals Trust, Foyle Trust (including Westcare Business Services) and Sperrin Lakeland Trust.

The Western Trust provides health and social care services across the western part of Northern Ireland covering a geography that stretches from Limavady in the north to Fermanagh in the south serving a population of almost 300,000 people.

The Western Trust employs approximately 12,000 staff from across the following professional disciplines:

- Medical and dental;
- Nursing and midwifery;
- Social services;
- Professions allied to medicine (PAMS);
- Ancillaries;
- Administrative and clerical;
- Works;
- Other professional and technical.

The Trust spends over £600 million annually on the delivery of health and social care services to its resident population. The chart below shows the various sources from which the Trusts receives its funding.



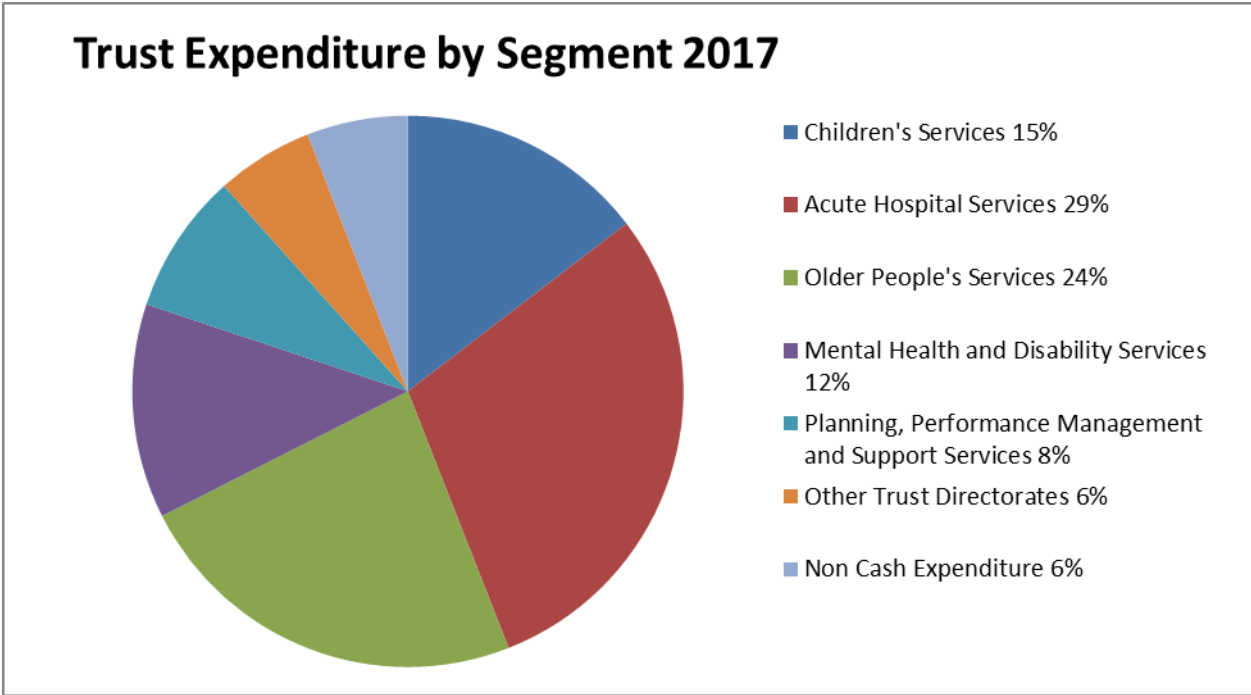
The Trust provides services across 4,842 sq. km of landmass and delivers services from a number of hospitals, community based settings and in some cases directly in individuals' homes. This comprehensive range of services is provided through the following Directorates:

- Acute Services;
- Adult Mental Health and Disability Services;
- Primary Care and Older People's Services;
- Women and Children's Services.

The Service Directorates are supported by:

- Chief Executive's Office;
- Finance & Contracting Directorate;
- Human Resources Directorate;
- Medical Directorate;
- Performance and Service Improvement Directorate;
- Strategic Capital Development Directorate.

The expenditure incurred in each of the above areas is shown in the Chart below.



Acute services are delivered in Altnagelvin Hospital, Londonderry and the South West Acute Hospital (SWAH), Enniskillen. Tyrone County Hospital, Omagh is a local enhanced hospital providing a range of rehabilitation and palliative care services. The Trust will shortly be taking ownership of a newly constructed local enhanced hospital in Omagh and this will replace the Tyrone County Hospital. Psychiatric hospitals are located in Londonderry and Omagh. In addition, Lakeview, a learning disability hospital, Grangewood, a mental health hospital and Waterside Hospital, a rehabilitation facility, are all based in Gransha Park, Londonderry.

Social services and many other Trust services are delivered in community based settings, often in partnership with organisations in the private, community and voluntary sectors.

The Trust vision is: “**to provide high quality patient and client-focused Health and Social Care services through well trained staff with high morale**”. This vision is underpinned by the following 6 core values:

1. High quality and safe services;
2. Enabling staff;
3. Integrity;
4. Equality;
5. Partnerships;
6. Employing resources efficiently and effectively.

The Trust has developed 7 strategic core objectives to assist in the achievement of its vision. These are:

1. To provide safe, high quality and accessible patient and client focused services;
2. To improve and modernise our services in line with evidence-based practice and research;
3. To ensure probity and safety of our processes and systems through active governance arrangements;
4. To promote public confidence in our services;
5. To create a culture and an environment which will attract and retain high quality staff;
6. To build effective relationships with service users, communities and our strategic partners to promote the health and social wellbeing of our population;
7. To secure and manage resources effectively and efficiently in order to achieve best outcomes, demonstrate value for money and ensure financial viability.

During 2016/17, the Trust carried out a consultation exercise on its vision, values and objectives which have been revised for 2017/18.

1.1.2 Chief Executive Overview of Performance

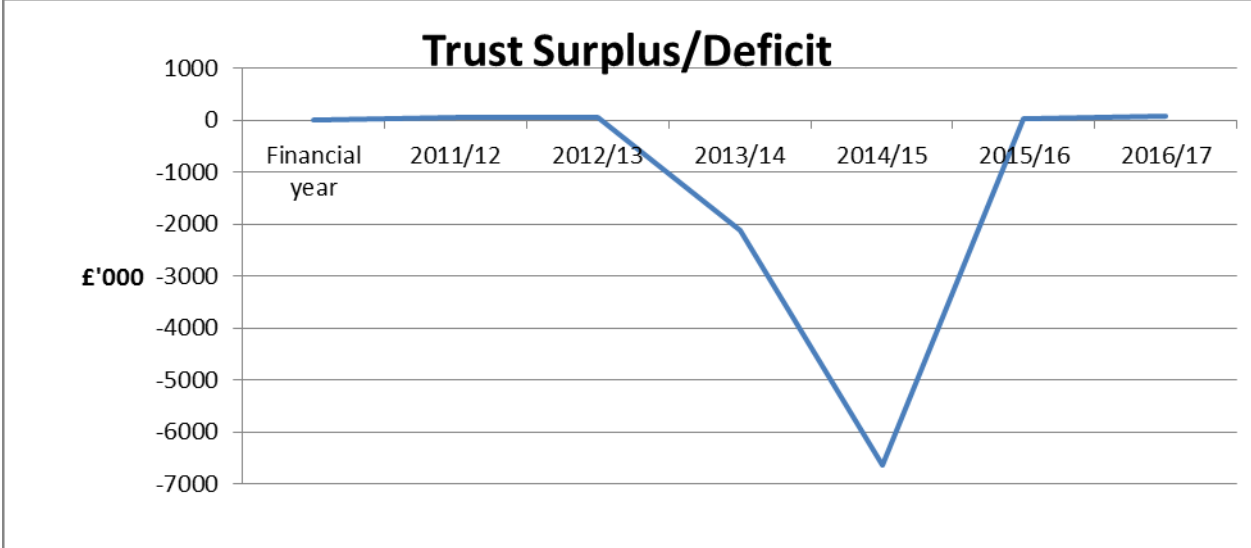
In 2016/17 the Trust continued to deliver excellent performance for the year in Cancer Services, Fractures and Diagnostics. In particular the Trust’s strong track record in its 14 day and 31 day cancer performance, was supported by sustained excellent performance in its diagnostic services. The opening of the North West Cancer Centre will see increasing activity and monitoring of cancer services as the service becomes fully operational.

The Trust has continued throughout 2016/17 to deliver the best performance regionally for Outpatients, and 35.7% of patients were seen within the 9 week standard. The Trust does however have over 6,000 patients waiting in excess of 52 weeks, and has worked with the HSC Board (HSCB) and GPs in the West to validate long waiting patients, resulting in some reductions. Nevertheless the longest waiting patients and highest number of breaches remain in 3 specialties – Orthopaedics, Gastroenterology, and General Surgery. The Trust has deployed Waiting List initiative (WLI) funding where possible to support the position, and this has been

particularly effective in endoscopy. In addition the Trust’s clinical teams have utilised WLI funding to support Review Outpatient (ROP) clinics, to assist them in managing risk within that patient population. Overall the number of ROP over 52 weeks remains at 1,821 patients.

The increase in unscheduled care demand which occurred in Winter 2015/16 was sustained into 2016/17 and impacted on elective Inpatient and Day Care (IP/DC) performance, with unscheduled demand escalating into scheduled care capacity. Performance was particularly affected from November onward, and the outbreak of norovirus in Altnagelvin during December 2016 severely constrained bed capacity, requiring the Trust to instigate its business continuity plan at “Level 3” on 14 December 2016. This impacted on the Trust’s scheduled work and performance fell to 38% within 13 weeks by year end. Priority over this period was given to patients classified as “red flag” and clinically urgent, and routine patients were delayed in their treatment. Given the profile of demand and that some specialties are unable to increase inhouse capacity, the limited WLI funding available in 2016/17 was of minimal benefit. The Trust was advised of some funding for orthopaedics work in the Independent Sector in December 2016, and used it effectively for additional day case work.

In common with the rest of the Public Sector and with the Health and Social Care system, 2016/17 has been another year of significant financial challenge, with the Trust required to make additional recurring savings. Over the past 3 years, the Trust has experienced exceptional cost pressures particularly in relation to the cost of medical locums and Looked After Children. During 2016/17, the Department of Health provided non-recurrent support in recognition of these pressures to allow the Trust to breakeven. Within this context, the Trust has reported a small surplus of £75k for 2016/17. The Trust’s breakeven performance over the past 5 years is shown in the chart below.



The Trust benefited from £69m of capital investment during 2016/17 with a significant amount of this expenditure being allocated to the new Radiotherapy Unit at Altnagelvin Hospital and development of the new Local Enhanced Hospital in Omagh.

Further details of the Trust's capital structure can be found in Notes 5 and 6 to the Accounts in Section 3 of this document.

The accounting policies adopted by the Trust during the year followed International Financial Reporting Standards (IFRS) to the extent that they were meaningful and appropriate to HSC Trusts. Where a choice of accounting policy was permitted, the accounting policy which was judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view was selected. The Trust's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts. There have been no significant changes to accounting policies in the year.

The Trust is not currently aware of material uncertainty related to events or conditions that may cast significant doubt upon the Trust's ability to continue as a going concern.

1.1.3 Key issues and risks affecting achievement of the Trust's objectives

The Western HSCT continues to be reliant on Medical locums to fill gaps in Consultant Posts, Staff Grade Posts and Training Grade Posts. Currently the WHSCT has 115.86 vacancies which are being filled with 61.4 agency locums and 34.5 NHS Trust locums. The remaining deficit is filled by NHS consultants doing additional work and occasional ad hoc locums. The consultant grade has a 21% vacancy rate while staff grade posts have a vacancy rate of 43%. Training grade posts in the Trust have a vacancy rate of 16%. Vacancy rates at all grades are proportionately higher in the SWAH than Altnagelvin.

The Trust has a successful international recruitment programme which to date, has attracted 35 doctors with a majority being placed in the SWAH to address their more acute recruitment issues. Many are still on an initial first year locum contract but it is hoped the majority will progress to permanent employment. The WHSCT is expecting an expansion of the FY2 posts by 15. However, the 2017/18 allocation for GP trainees shows a decrease in allocation of numbers to WHSCT from the usual 20 to 9. This is despite an overall rise in GP posts in Northern Ireland.

The clinical and financial burden of locum posts in the Western HSCT continues to rise. The cost of medical locums for year 2016/17 was £17 million.

The Trust continues to face increasing demand from unscheduled care admissions, particularly into Altnagelvin Hospital which results in the Trust having to prioritise red flag and urgent patients over routine elective patients, and impacts elective performance at times of increased pressure from unscheduled demand. Waiting times for a number of specialties continue to extend due to the shortfall in commissioned capacity within the Trust, currently or in prior years. This has particularly impacted: Gastroenterology (OP), Neurology, Orthopaedics (IPDC) and General Surgery.

The Trust's unscheduled care performance fell over the winter period despite extensive resilience planning. The outbreak of Norovirus at Altnagelvin had a considerable impact, however throughout the pressures the Trust had the fewest 12

hour breaches, and 4 hour performance has steadily improved as the Trust has come through the winter period. The Trust activated its major incident plan on 2 January 2017, in response to pressures in ED, and the Trust has carried out a full de-brief which has identified lessons which will be built into operational processes and into planning for 2017/18.

During the year the Trust put in place service improvement and recovery plans in a number of non-acute areas, including CAHMS, AHPs, Autism and delayed hospital discharges. Improvement in most areas was secured. However the lack of WLI/in-year funding support did affect the Trust's ability to improve its position in Psychological Therapies and sickness absence/maternity leave levels caused the improving AHP position to deteriorate towards the end of the year. The Trust has been unable to secure any improvement in its community paediatrics service due to workforce gaps and its performance in the discharge of complex patients remains a challenge.

1.1.4 Outline of Organisational Performance

Key Achievements during 2016/17:

Cancer Services

- During 2016/17, 99.9% of urgent breast cancer referrals were seen within 14 days, against a target of 100%.
- During 2016/17, 100% of patients diagnosed with cancer received their first definitive treatment within 31 days of a decision to treat, against a target of 98%.
- During 2016/17, 87% of patients urgently referred with a suspected cancer began their first definitive treatment within 62 days, against a target of 95%.

Fractures

- During 2016/17, 89% of patients, where clinically appropriate, waited no longer than seven days for inpatient fracture treatment, against a target of 95%.

Specialist Therapies

- As at 31 March 2017, 12 patients were waiting longer than three months to commence NICE approved specialist therapies for arthritis or psoriasis.
- As at 31 March 2017, 8 patients were waiting longer than three months to commence NICE approved specialist therapies for MS.
- As at 31 March 2017, 2 patients were waiting longer than 6 weeks to commence specialist drug treatment for Wet AMD for the first eye and 6 weeks for the second eye; 1st eye - 1 breach.

Elective Access

The Trust achieved the following outcomes against the core contract with the Commissioner from 1 April 2016 to 31 March 2017:

- 26,167 Elective Inpatients (Admissions) & Day Case patients.
- 64,368 New Outpatient Attendances.
- 112,761 Review Outpatient Attendances.
- 22,071 Fracture Outpatient Attendances.
- 256,331 Imaging

Diagnostics

- As at 31st March 2017, 79% of patients, waited no longer than 9 weeks for a diagnostic test against a target of 75%.
- During 2016/17, 92.3% of urgent diagnostic tests were reported on within 2 days of the test being undertaken.
- During 2016/17, 99.79% of routine diagnostic tests were reported on within 4 weeks of the test being undertaken.

Delayed Discharges

- During 2016/17, 76% of complex discharges from an acute setting took place within 48 hours, against a target of 90%. During 2016/17, 98% of all mental health discharges took place within 7 days of the patient being assessed as medically fit for discharge, with 1% taking more than 28 days.

Childrens Services

- By the end of March 2017, 78% of care leavers aged 18-20 years were in education, training or employment
- During the year, all child protection referrals were allocated within 24 hours of receipt and all initial assessments were completed within ten working days. This was achieved throughout 2016/17 against a backdrop of increasing levels of demand for these services.

Learning Disability

- Cumulatively in 2016/17, 80% of patients waited less than 9 weeks for a first outpatient appointment with a learning disability consultant against a target of 50%.

Community Care

- During 2016/17, 96% of patients with continuing care needs were assessed within 5 weeks and 99% had the main components of their care needs met within 8 weeks of the end of their assessment.

Stroke Services

- By the end of March 2017, the target of 13% was exceeded with over 17.84% of all ischaemic stroke admissions receiving thrombolysis.

Direct Payments

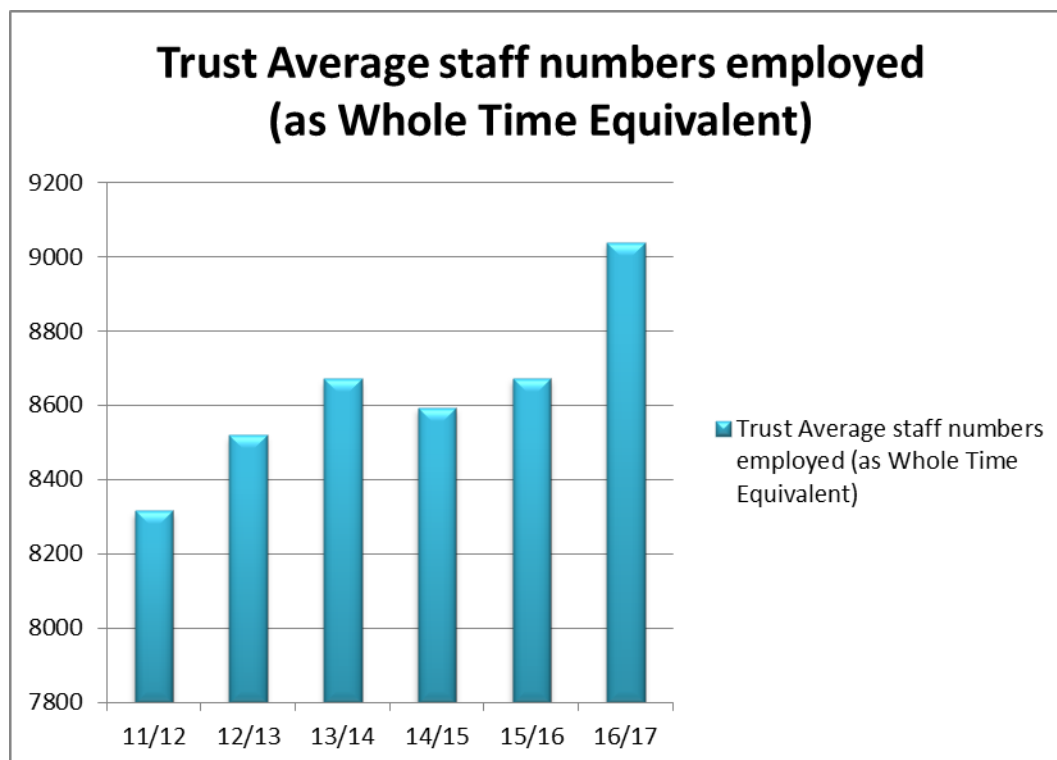
- By the end of March 2017, Direct Payments uptake had increased to 624 against the Trust target of 523.

Financial Performance

- The Trust income during the year was £603m and it remained within its budget by £75,000.
- The Trust paid 92.9% (by number) / 93.8% (by value) of its creditors within 30 days and 82.8% (by number) / 87.1% (by value) within 10 days.
- The Trust remained within its capital budget for the year expending £69m on equipment, vehicles and capital schemes.
- Trust management costs during 2016/17 were 3.2% of its income.

Statistics

- In 2016/17, there were 65,995 attendances at Altnagelvin's Accident and Emergency Department (ED); 34,152 attendances at the South West Acute Hospital's Emergency Department and 16,758 attendances at the Urgent Care and Treatment Centre at the Tyrone County Hospital;
- During 2016/17, the Trust experienced an unprecedented demand for ED services within Altnagelvin with a 5% increase in attendances and a 6% increase in attendances in SWAH;
- Allied Health Professionals (AHP) services provided over 333,499 face-to-face contacts with clients during 2016/17;
- There were 3,972 births at Altnagelvin Hospital and the South West Acute Hospital;
- The number of compliments received during the year was 2,968. The total number of formal complaints received was 509, four of which were Children Order Complaints.
- The average number of whole time equivalent staff employed by the Trust during the year was 9,038. The trend over the previous five years is shown below.



1.1.5 Other Performance Issues

Financing Implications

There have been no significant changes in the Trust's objectives and activities during the year. The Trust, in common with other HSC Trusts, draws down cash directly from DHSSPS to cover both revenue and capital expenditure. The Trust is not

permitted to draw cash in advance of need for the purposes of investment and none of the public fund bank accounts earns interest.

Long Term Liabilities

The most significant long term liabilities of the Trust arise in two areas. The first relates to amounts due under two existing Private Finance Initiative (PFI) contracts and the second relates to provisions for future legal claims.

The PFI contracts were entered into to provide the financing for a new Laboratory and Pharmacy building at Altnagelvin Hospital and the second was for the construction of the South West Acute Hospital in Enniskillen. The charges to the Trust under both contracts depend to an extent on movements in the Retail Prices Index for interest rate changes. The overall PFI liability for the two contracts as at 31 March 2017 was £128m. Further details of the PFI charges can be found in Note 18 to the Accounts in Section 3 of this document. The net book value of the two relevant assets was £224m as at 31 March 2017.

In relation to legal claims, the Trust provides for potential liabilities regarding ongoing legal cases and further detail on these costs is available in Note 15 to the accounts. At 31st March 2017, the Trust provided for potential future legal liabilities of £20m. These costs are met in full as they arise by funding from the Department of Health.

Employee issues

The cumulative rate of absence for all Trust staff during 2016/17 was 7.51%.

The Trust positively promotes the objectives and principles of equality of opportunity and fair participation and observes its statutory obligations in relation to all of the Section 75 groups in the Northern Ireland Act (1998).

Disability Policies

Under Section 49A of the Disability Discrimination Act 1995 (as amended by Article 5 of the Disability Discrimination (Northern Ireland) Order 2006), the Trust is required, when carrying out its functions, to have regard to the need to:

- Promote positive attitudes towards disabled people; and
- Encourage participation by disabled people in public life.

Under Section 49B of the Disability Discrimination Act 1995, the Trust is also required to submit to the Equality Commission a plan showing how it proposes to fulfil these duties in relation to its functions.

The current Trust Disability Action Plan was developed in May 2014 and covers the period until 30 April 2017. The Trust has been working closely for a number of years with people with disabilities and with their advocacy groups to promote positive attitudes towards disabled people and to encourage their participation in public life. The Trust's Action Plan sets out a number of examples of good practice initiatives that have been implemented in this area.

The Trust has a well-established Disability Steering Group, membership of which includes service users, regional and local representative groups as well as other

interested parties. The Steering Group takes the lead in implementation of the Disability Action Plan.

Accounts and Audit

The Trust has prepared a set of accounts for the year ended 31 March 2017 which have been prepared in accordance with Article 90(5) 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. The Trust accounts are set out in Section 3 of this document.

The Trust's External Auditor is the Comptroller and Auditor General who sub-contracted the audit to KPMG for 2016/17. The Trust was charged £64,000 for the statutory audit of the accounts (Public Funds and Endowments and Gifts).

1.2 Performance Analysis

1.2.1 Directorate Analysis

1.2.1.1 Acute Services

Emergency Care & Medicine & Unscheduled Care Division

Emergency Departments within both South West Acute and Altnagelvin Hospitals have received a staffing uplift to improve their capacity to deal with the numbers of patients who are presenting through Trust Emergency Departments. This investment has enhanced the Trust's ability to meet the need that exists and to continue to meet Ministerial standards.

The Clinical Decision Unit opened on the Altnagelvin site on 1 June 2016. The Clinical Decision Unit has been created to allow observation of patients who require more diagnostic tests and to maximise flow within the Emergency Department and hospital site. This Unit will assist in improving waiting times within the Emergency Department and improve patient care pathways.

"The Memory Room" was the initiative of Sr Leann Allen and Staff Nurse Shauna Tierney following their attendance at a Dementia awareness session. These two nurses have taken a particular interest in driving forward education for staff on Ward 20 who care for people with dementia and their families. The Memory Room was developed to allow these patients and their families to have a quiet, peaceful environment during visits. There are lots of activities and old photographs to aid reminiscence.

A capital works project was facilitated in South West Acute Hospital to enhance the working environment in the Emergency Department. This work was completed in January 2017.

Within Respiratory Services, a Virtual Sleep Apnoea Clinic was implemented in October 2016 and Nurse Led Lung Cancer Clinic commenced 6th October 2016. These two developments have made a considerable difference to how patients travel through the system. There are plans to replicate the model in South West Acute Hospital over the coming months.

Surgery and Anaesthetics Division

Brian McFetridge, Consultant Nurse Critical Care, won runner up in the Chief Nursing Officer's Award at the Royal College of Nursing (RCN) "Nurse of the Year" Awards in May 2016 for his project on "Regional Service Improvement for the Safe Transfer of Critically ill Patients". After implementing this initiative Trust-wide, CCaNNI (Critical Care Network Northern Ireland) rolled the project out across the province.

Cancer Services Division

The North West Cancer Centre opened for business in Autumn 2016 and the radiotherapy service commenced at the end of November 2016. Patient pathways are being gradually introduced for the various cancer groups and the numbers of patients and tumour sites will be increased over the coming months. The number of patients being successfully treated for prostate cancer are increasing and patients'

feedback to date has been very good. Analysis of initial treatments has shown a high degree of accuracy between planning and treatment.

Diagnostics Division

7-Day Ultrasound is now in place on the Altnagelvin site. This is a radiographer led service which sees routine outpatients and some inpatient scanning being undertaken to assist with patient flow throughout the whole week. This has been achieved by adjusting the appointments schedule and freeing up capacity to scan inpatients. Feedback from patients has been positive, with many noting the ease of parking and reduced waiting times at weekends.

The Microbiology Service achieved accreditation to ISO 15189 on 20th June 2016. The microbiology labs at Altnagelvin and Belfast Trust remain the only 2 in Northern Ireland to have secured this. This achievement is a reflection of the dedication, hard work and the can-do attitude of all staff within Microbiology.

The Microbiology Service has also successfully integrated a new blood culture analyser, bacterial identification and sensitivity testing analysers into the Department. This brings significant reductions in turnaround times within the Department and supports the Trust's antimicrobial stewardship programme.

Pharmacy Department

A Pharmacy-led Quality Improvement project was successful at the Trust's Staff Recognition Awards as well as being the category winner for Safer Patient Care and the overall award winner at the NI Safety Forum Awards. This project is aimed at taking a multi-professional approach to improving the accuracy of prescribing for inpatients on a surgical ward. After an observed increase in the number of pharmacist recommendations to medical staff, and a series of near miss incidents, the team decided to look at system improvements / PDSA cycles to improve the situation. A project driver diagram identified key system areas that were leading to inaccurate prescribing. Through a series of improvement steps, error rates were reduced from 2.6 per patient to 0.8 per patient. This result surpassed the initial target of reducing unintentional prescribing errors by 25% by the end of 3 months and by 50% after 6 months.

This project was led by pharmacists Majella Warnock and Rachel Johnston in collaboration with Mr Brendan Skelly - Registrar General Surgery, Mr Zahid Bali - Staff Grade General Surgery and Mr Anand Gidwani - Consultant Surgeon.

Acute Leadership

The leadership within the Acute Directorate has been strengthened over the past year with the addition of 2 new Assistant Directors (Medical). Dr Neil Black has been appointed on the Altnagelvin site and Dr Ronan O'Hare has been appointed to oversee South West Acute Hospital and Tyrone County Hospital sites. This leadership team will be further strengthened in the 2017/18 year.

1.2.1.2 Adult Mental Health and Disability Services

Adult Disability, Sensory and ASD Services

Supporting Brain Injury

Brain injuries are continuing to increase each year across Northern Ireland. A mild brain injury often happens in an instant but its effects may have a lasting impact on the individual. Within the WHSCT approximately 3,600 people will attend hospital each year with a head injury. Of these, 85% will be mild in nature whilst the remaining 15% will be moderate to severe requiring some degree of care and support. The majority of these survivors are young people aged 16-28 years with a normal life expectancy.

The WHSCT has developed an innovative service which enables a Specialist Brain Injury Nurse to receive referrals from the hospital emergency departments. This enables early intervention with patients to help them understand and manage their concussion symptoms to help prevent further complications which can include personality changes, memory loss, physical disabilities, speech and language difficulties and sensory loss.

Spruce House Reconfiguration

Spruce House is an eighteen-bedded community neuro-disability rehabilitation facility for adults who have severe neurological disabilities including acquired brain injury or spinal injuries. This consultant-led service currently offers continuing care, slow stream rehabilitation and therapeutic respite services.

Under the auspices of reform, the Adult Mental Health and Disability Directorate has commenced a project to enhance the utilisation of Spruce House with the aim of delivering high quality, timely intervention to enhance the outcomes for service users, their families and carers. The working group for the project will include representatives from service users and carers.

Improvement Project Foyle Disability Resource Centre (FDRC)

Applying improvement methodology and guided by the WHSCT Improvement Advisor, staff have undertaken a review of the service delivered at FDRC. This review will inform and shape the existing review, in relation to the delivery of wider day care / day opportunities within the Physical Sensory Disability & ASD division to take account of new opportunities for service users in relation to personalisation and the roll out of self directed support.

Adult Mental Health Services

Accommodation Strategy for Mental Health

A review of mental health residential accommodation will be carried out in 2017 to ensure adequate and a variety of accommodation to suit service user needs and demands.

The appointment of a Service Manager will enable a review of all accommodation stock and potential to Supporting People living over the next 5 – 10 years:

- Develop a variety of accommodation facilities to meet complex individual needs

- To provide rehabilitation – short and long term tenancies
- Work in partnership with the Northern Ireland Housing Executive, Health & Social Care Board and PHA to develop realistic alternatives to inpatient care.

Developing Crisis Response and Home Treatment services in southern sector

The development and implementation of multidisciplinary Crisis Response and Home Treatment in the southern sector of the Trust will provide single point of access to people experiencing mental health crisis across the 24 hour period 7 days per week.

The service will aim to provide treatment as close to home for people as possible including community-based alternatives to admission to hospital through:

- Single point of access assessments including urgent response to referrals from GPs and the Emergency Department at SWAH across the 24 hour period
- Development of home treatment capacity
- Development of acute day care
- Development of a community crisis house service in Omagh, i.e. Rathview, will have 6 beds registered as Nursing Home care to provide alternative to hospital, step up step down beds

A Service Improvement Programme has been initiated within the southern sector to progress the development of the Crisis Response Home Treatment Team and to aggression on Elm and Lime wards.

Implementing Day Care Reform

The appointment of a Service Manager will enable the implementation of Day Care Reform to be taken forward. The reform of Day Care will provide a person-centred, flexible day care service which meets the aspirations of people with serious mental health problems and supports them to progress to 'mainstream activity' beyond the centre.

The service will be based on Recovery principles with a focus on social inclusion and community integration. There will be a continuum of services from time-unlimited to shorter term programmes and individualised day opportunities, not constrained by traditional 9am - 5pm boundaries. There will be cross sectoral working and close links with partner organisations to avoid duplication of services and to ensure value for money.

Asha Centre

The addiction unit (Asha Centre) opened in November 2016 and is part of the regional 30 bed provision. An agency consultant psychiatrist is currently in post whilst a new 0.5 wte consultant position is currently going through the Trust recruitment process. Access into the new service is arranged on a planned basis through Tier 3 community addiction teams regionally. Currently the unit is operating well and is predominantly full. Regional access and communication is working well and feedback from a recent RQIA inspection has been very positive.

The Talking Therapy Hub – Northern Sector

Mental Health Services have delivered the first year of the Wellbeing Hub, a project developed to deliver a service model that accepts patients from the GP Step 2 as they present with common mental health problems as defined by NICE 123, and offer a

care package to best meet their needs using the stepped care model within the community and voluntary sector. The Hub promotes early intervention prevention and social interventions, educating the client about alternative care appropriate to their needs and helping to reduce the referrals to secondary care.

Mental Health Services have improved relationships with GPs, Community and Voluntary sector service partners and other community resources. The Wellbeing Hub has processed almost 2,000 referrals and improved outcomes and waiting times. The Hub has provided training to other services and trainee GPs. Mental Health Services will be rolling out this project in the southern sector of the Trust in 2017 and will expect the same high volumes of referrals. GPs in the southern sector are eagerly awaiting this development.

Reconfiguration of Adult Psychological Therapy Service – Southern Sector

Psychosexual services and forensic services have been absorbed into the Adult Psychological Therapy Service in the southern sector; the reconfiguration took place in 2016 and is operating well as one team.

Suicide Think Tank

Suicide think tank has established a small task and finish group to examine the viability of implementing an e-learning package for all Adult Mental Health staff.

Holly Lane

The Holly Lane facility opened in August 2016. Suitable clients were identified following panel processes and have taken up their tenancies.

Key Issues

- Lissan House (Recovery Team) relocation to the new Omagh Hospital and Primary Care Complex
The Omagh Recovery Team will relocate to the new Omagh Hospital and Primary Care Complex in June 2017. Work is ongoing with regards to the plans for the relocation of staff. The lease expires for Lissan House at the end of June 2017 and preparation work is ongoing to ensure that the premises will be clear of all Trust owned furniture and equipment.
- Waiting list pressures continue to be an issue with demand outstripping supply across most of the specialist teams. Securing recurrent resources to cover gaps in service is a continuing challenge and ensuring that vacancies are filled in a timely manner is also a challenge given the financial pressures and contingency measures in the Trust. Whilst money is currently available non recurrently and a plan has been agreed with CMT, it is still a struggle as there is not the availability for staff to implement the recovery plan in full.
- Bed occupancy at the Tyrone and Fermanagh Hospital remains increased with intermittent out-of-Trust admissions. The inpatient clinical team are reviewing operational systems to ensure more effective processes in relation to throughput admissions and discharge planning.

Adult Learning Disability Services

The changing demographic of adults with learning disability and their carers is similar to the general population in that people are living longer. This clearly impacts on the

Programme's ability to deliver on the needs of service users and carers living with a life-long disability. A number of regional reviews has indicated that Adult Learning Disability Services in the West have a significant differential in terms of investment. Work has begun to redress the inequity through additional investment by the HSCB and the Trust; this is being delivered through a facilitation model in collaboration with carers and service users.

Community Team Investment

There has been investment in Community Teams within 2016/17 to meet demand, however, further investment is required to ensure the Community Social Work Teams can deliver on requirements around good governance and meet assessed needs of service users and carers.

Short Breaks Review

The Adult Learning Disability Programme undertook a review of Short Breaks provision across the Trust area and published its report in 2015/16. The report highlights current and future provision and has been shared with the HSC Board and Local Commissioning Group.

Day Care Review/Strategy

The HSC Board produced a strategy for the provision of Day Care/Day Opportunities for Adult Services in 2014. Each Trust has been tasked with the development of a local strategy and the Western Trust has established a project structure to support the local review, with a final report produced at the end of March 2017.

Completion of Resettlement Project

In 2015/16, the Programme completed the resettlement of people with complex needs into community settings. As a result the Trust has, in line with strategic direction, reconfigured Lakeview Hospital as a 10 bedded assessment & treatment unit with 8 assessment and treatment beds as well as 2 intensive support beds. The reduction in beds requires the Programme to be community facing and where possible avoid hospital admissions. This is in line with regional strategy.

1.2.1.3 Primary Care and Older People's Services

Community Equipment and Home Delivery of Disposable Continence Products

The Trust's new community equipment service model, operated in conjunction with the Business Services Organisation, commenced on 22 August 2016. A new central store that enables equipment to be safely stored, delivered and retrieved is located in Londonderry.

There are also two sub-stores, one located in Omagh and one in Enniskillen, which stock frequently ordered pieces of equipment and can be accessed by relevant professional staff as necessary. All equipment is delivered to and collected from people's homes by dedicated vehicles. All recycled equipment is decontaminated using a purpose built decontamination unit, which further reduces the risk of the spread of infection.

In addition, for the first time in the Western Trust area, a new service was implemented to deliver continence products directly to the user's home and the

operation of a ring-back system whereby users ring a dedicated team when they require additional supplies.

Acute Care at Home

The Acute Care at Home service commenced on 22 August 2016. The main aim of the service is admission avoidance for appropriate patients aged 75 years and over with the referral pathway via the GP to a direct line telephone number. The GP can then discuss the patient with the Consultant or Speciality Doctor taking the calls and a decision is made to accept the client if appropriate on to the virtual ward. The patient will be visited within 2 hours of the referral and assessment commenced.

The service also allows for early facilitated discharge from the acute hospital site in Altnagelvin via in-reach by the Consultant Geriatrician or Speciality Doctor to the wards and transfer home under the Acute Care at Home Team to complete their treatment.

Royal College of Nursing - Nurse of the Year 2016

Pauline Casey, Lead Nurse and Head of Service for Older People's Mental Health, won the Royal College of Nursing Northern Ireland Nurse of the Year 2016 award. Pauline was presented with her award at the 20th annual RCN Nurse of the Year Awards ceremony, held at Hillsborough Castle on 12th May. Pauline was nominated for her work in reforming mental health care for older people, in particular the re-modelling of care provided to dementia patients. The new model of service ultimately ensures that people living with dementia receive additional support in their homes and local communities. Pauline also led in improving the experience for dementia patients having to stay in hospital.

Independent Domiciliary Care Tender Award

The Western Trust concluded its independent sector procurement process for domiciliary care provision in September 2016, awarding 27 contracts to independent sector providers in the Western Trust area.

The entire contract ranges in value from £79 million to £97 million over a potential 5 year contract life [3 years contract with provision for two 12-month extensions]. The Enniskillen and Limavady localities moved to the new contractual arrangements on 1 March 2017. An implementation team is currently working on the transition of the Waterside and Omagh localities to the new contractual arrangements, with a planned completion date of 1 July 2017. It is estimated that the remaining geographical areas will transition by 31 December 2017.

Increased Service Demand

The Directorate continued to face a challenging year in light of the increasing over-65 years population as indicated in demographic trends and the associated escalating demand for services, particularly for those patients and clients with complex needs. These issues have resulted in increased lengths of stay in hospital; delays in providing domiciliary care and nursing/residential home packages; expanding waiting lists in place for services; access to community equipment; impact on performance management targets; and an increased requirement for risk management.

The Directorate also continues to encounter challenges in ensuring service users receive new and/or review appointments with a consultant in older people's mental health and in care of the elderly services on a timely basis.

The uncertainty of the independent nursing and residential home sector remains a concern for the Trust, with one nursing home closing in 2016 although all residents were successfully transferred to alternative accommodation.

The Trust has held discussions with a number of nursing home providers during the year to discuss its requirements for accommodation-based care, particularly the shortage of nursing home beds for older people with dementia or other mental illness. A number of homes in the northern sector are now planning to expand, with additional capacity to be available during 2017/18.

Staff Recruitment

The inability to recruit professional staff across a range of services continued to challenge safe and effective service delivery throughout the year. The Directorate implemented a number of key actions to recruit staff, which included international recruitment of medical and nursing staff and streamlining of recruitment processes.

Specialist Palliative Care Team

The Directorate's Specialist Palliative Care Team provides specialist advice and support to palliative and end-of-life patients, carers and staff.

A significant increase in demand for the team's services over the past number of years necessitated a service review during 2016. The Directorate, in partnership with MacMillan, secured funding to recruit additional medical, nursing, AHP and administrative staff to meet the increased demands on the service.

The co-designed team enables input into the new Radiotherapy Centre at Altnagelvin Hospital to offer increased support to palliative patients as well as increased staff education.

GP Dementia Friendly Surgeries

The Directorate's Older People's Mental Health Team has continued to work closely with service users, carers and staff to improve their awareness and understanding of dementia. In recognition of the important role GPs and their staff play in facilitating timely dementia diagnosis, a shared care protocol has been developed for the on-going care of people with dementia. The Older People's Mental Health Team has been working closely with pilot sites at Riverside GP Practice in Strabane and Bovally Medical Centre in Limavady to become 'dementia friendly' surgeries. This involves identification of a dementia champion in each practice, staff training and creation of a dementia friendly environment.

Plans are being developed to roll out the shared care protocol to other GP surgeries during 2017/18.

1.2.1.4 Women & Children's Services

Family and Childcare

Adoption Service

There has been a substantial review of adoption and permanency planning in respect of ensuring that regional policies are adhered to and children are progressed in timely manner towards permanency and their 'forever family'. The outcome has been a substantial increase in the number of adoption orders awarded by court.

Childcare Reform

The family and childcare sub-Directorate is committed to leading the way in illustrating an Outcomes Based Accountability approach to the Childcare Reform projects. Within the Reform, the Trust is committed to the redesign of a Children's Home in the Western area to meet needs of complex cases by design and development of a new model of residential care. The sub-Directorate is committed to strengthening and advancing the Intensive Therapeutic Foster Care Provision which has had a positive impact on Residential Child Care admissions following phase 1 of the Reform in 2015/16. Following the recruitment of the new Head of Service for Family Support, the focus will remain on strengthening and developing new models and strategies for earlier intervention and prevention.

Head of Service Family Support Services

A new Head of Service for Family Support Services has been appointed and will take the dedicated lead and will reform, embed and strengthen the delivery of family support services for children in need and on the edge of care, with the ultimate goal of maintaining the children and young people in their families in the community and preventing admissions to care.

Safeguarding

The Trust hosted a NEGLECT conference during the year. The conference focused on "*The impact of neglect on the health and development of children and young people and Improving recognition and practice responses to Neglect*".

Child Care Services

Demands on Child Care services continue to rise with an increase in looked after children. This places significant pressure on the entire system including a substantial financial implication. The challenges in addressing the demand and capacity issues in relation to our Child Care Services are closely monitored within the Trust and identified gaps are shared with the HSCB.

Community & Public Health

Disabled Children's Services

WEST commenced Quality Improvement Coaching in January 2016 and is continuing the process with implementing change throughout the Trust.

WEST were invited to present at the Regional Solihull Forum on 31st March 2017 in Antrim to feedback about the Parenting Programmes as well as the Whole School Training we have had success in delivering.

WEST delivered Open College Network Northern Ireland training to six cohorts across the Trust with 68 classroom assistants gaining Level 2 accreditation in “Understanding and Supporting Child Development in the Mainstream Setting”.

WEST were invited to present motor skills training at this year’s Early Education Conference in October 2016. WEST Physiotherapist and Occupational Therapist gave training on the development of motor skills in the early years to 49 nursery school leaders and assistants.

Paediatric Psychology

The Paediatric Psychology Service has developed a leaflet that provides information about the service for children and young people. The leaflet was designed by young people who have used the service. This leaflet will help provide young people with a better understanding of the Paediatric Psychology Service.

Children’s Mental Health

The CAMHS Primary Mental Health Team facilitated a six week group programme on Raising Awareness on Mental Health and Emotional Wellbeing. The programme was aimed at year 14 pupils to equip them with the necessary skills and knowledge to enable them to cope with issues pertaining to Emotional Well Being that could present as they transitioned into the world of third level education, training or indeed employment. A baseline questionnaire was distributed pre and post-delivery of the programme and the post-delivery questionnaires showed a marked increase in knowledge following educational input from Primary Mental Health.

Public Health

The Early Intervention Transformation Programme (EITP) is an integrated health and education review for children in their pre-school year. EITP represents the coming together of six government departments, alongside private philanthropy, as part of the Delivering Social Change initiative. The focus of EITP is on achieving transformative change in how mainstream services are delivered to children and families and is in keeping with the OFMDFM Making Life Better Strategy.

All Department of Education funded pre-school education settings in the Western Trust have been assigned an aligned health visitor. The health visitors will make contact with that setting and work in partnership with education colleagues to support and promote healthy child development and learning.

Initial feedback from parents and nurseries is very positive. It is expected that further roll out to 50% of eligible children will take place in the next academic year.

Every Child Counts - Regional Audit of the Child Health Promotion Programme

The Health Visiting and School Nursing teams have taken part in a regional audit to provide assurance that they are complying with universal contacts as set out in the Healthy Child, Healthy Future (HCHF) programme which has been funded and supported by the Guidelines and Audit Implementation Network (GAIN).

The Joint Committee on Vaccination and Immunisation (JCVI) recommended the introduction of annual influenza vaccination for all children aged 2 - 16 years in 2012 and to date has been rolled out to all children in primary schools. The programme has now been embedded and is in its 3rd full year.

Healthcare - Paediatrics

Community Paediatrics and Neonatal Services: - Moving of the Transitional Care Unit (TCU) to a new facility within the Altnagelvin Hospital Site

Butterfly Lodge was officially opened on Wednesday 18 January by the Minister of Health, Michelle O'Neill. The official opening was well attended by children and their families, senior management, paediatricians, nursing and healthcare staff. There remains a challenge in recruiting nurses to vacant posts which has had an impact on the provision of overnight care in Butterfly Lodge. However, we have recruited more carers and are offering further respite at home when possible.

Acute Paediatric Assessment Unit (APAU)

Demographic funding was received to enable the Assessment Unit to operate on a permanent basis. The investment has allowed the APAU to extend its hours of operation until 23:00, however recruitment of Band 5 Nurses has been challenging to sustain this. Other appointments to be made will include pharmacy, admin and additional medical hours, all of which will improve the efficiency of this service.

New Posts

The appointment of the Band 7 Discharge/Transition Co-ordinator has also helped to enhance the service for babies and children with complex healthcare needs being discharged / transitioned from hospital to home or between hospitals.

Healthcare - Dentistry

Launch of Happy Smiles

In October 2016, staff from the Western Trust Community Dental Service joined the Minister of Health, Michelle O'Neill, to launch a regional Happy Smiles programme for pre-school children. This replaced the 321 programme which had run successfully throughout the Western Trust.

This initiative is designed to improve the oral health of pre-school children through making tooth brushing a part of the daily activities in pre-school, helping children to make healthy choices for snacks and break, and learning about oral health more widely through songs, music, stories and drama.

The dental clinic in Limavady Health Centre was recently upgraded. This now ensures that the equipment meets required standards. This will enable dental staff to continue to provide a high quality service for the most vulnerable in the area that cannot access dental services elsewhere.

Two temporary dentists have been appointed to the Community Service; one in SWAH and one in the Derry area. It is hoped they will help to improve waiting times within the service.

Oral health staff in conjunction with dietetics delivered successful training to leads from a number of SureStart facilities. The feedback from the session was excellent and the evaluation reflected that they now feel confident to pass on this information to parents and children.

Healthcare - Maternity

Thermoregulation

As a result of evidence produced by the Neonatal Network, the Trust is implementing the 'drying off babies and wearing of a woollen hat' for up to six hours after delivery alongside skin to skin contact to maintain baby's body temperature and reduce hypothermia thus reducing morbidity in the newborn.

OASIS

All midwifery and medical staff have been trained in the use of Episissors to perform episiotomy as and when required. Ongoing education continues of midwifery and medical staff on delivery techniques with the aim of reducing third and fourth degree tears. An audit will be carried out following implementation.

Midwife Led Care

GAIN Guidelines on Admission to Midwife Led Care & Normal Birth pathway have been implemented and the number of women delivering has increased accordingly. This has improved women's choice in place of birth.

Early Intervention Transformational Programme

Getting Ready For Baby, antenatal group-based care and education, have commenced ten programmes for women in the Derry area and four programmes in Omagh. There are plans to extend the programme to Enniskillen when suitable accommodation has been located. An evaluation is carried out after each session and the feedback from clients attending has been positive.

Adult Safeguarding

With the introduction of the new Regional Adult Safeguarding policy and procedures, the Adult Safeguarding Service is undergoing a process of review and reform to ensure greater emphasis on preventative safeguarding, partnership and person-centred approaches to practice. Over recent months the Trust has successfully engaged with relevant stakeholders through staff online surveys, focus groups, development workshops, provider fora and service user feedback through piloting a mobile phone application in conjunction with Queen's University of Belfast. Efforts have also been made to develop the LASP and Trust Adult Safeguarding Forums.

The Adult Safeguarding Service has been involved in the Concern Hub Project. This initiative has been piloted in the Derry City and Strabane District Council area and is focused on achieving a better understanding of relevant individuals' needs and working together to identify services that improves personal outcomes. Through effective interagency working the partner agencies can obtain a more complete picture of the individual enabling them to identify needs, strengths and risks earlier to help individuals improve their situation through preventative approaches.

There has also been a successful ASG pilot within the Adult Learning Disability Service to encourage ownership of safeguarding as part of core social work practice. As we move forward, challenges exist around changing existing systems, structures and processes in line with the principles of the new policy and creating a culture that recognises safeguarding as being everyone's business, with the individual remaining central to decision making through informed choice and adopting a risk enablement

approach. The Adult Learning Disability pilot has provided learning to support this process.

Self Directed Support

Self Directed Support (SDS) is a change in the way social care services are provided to offer much more choice, control and flexibility to individuals and families. It enables them to tailor a package of support that best suits their lifestyle and allows the individual and family to live their life in the way that they want to. Self Directed Support provides informed choice about how support is provided with a focus on 'working together' to achieve personal outcomes.

The Trust has an Implementation Plan in place and progress is reviewed by the Trust Implementation Group monthly. This includes delivering on a Communication and Engagement Strategy for SDS and a comprehensive Training and Development Programme for all community staff within Children's Disability and Adult Social Care Services. Significant progress has been made to operationalise SDS, supported by our 'Go Live date' on 1 November 2017. Work is being carried out across all Trust departments including Contracts, Information and Finance to operationalise SDS including a series of Senior Management workshops to address any emerging challenges. Additional activity includes development of an online provider toolkit to support community providers with the introduction of SDS and encourage growth of the social care market.

This is a transformational change process which seeks to embed personalisation culturally and as an approach to practice. However there is clear evidence that SDS is making a real difference to the lives of individuals and families that we work with. This project has really started to gain momentum and requires continued support and investment to ensure work progresses and project aims are met. At the end of March 2017, there were 831 recurrent SDS cases operational and 87 one-off direct payments.

1.2.1.5 Medical Directorate

Appraisal and Revalidation

The Western Trust is the only Trust in Northern Ireland with an electronic appraisal system and has been commended for its development and implementation. In November 2016 it was agreed by the Medical Leaders for Northern Ireland that this system should be adopted regionally.

Quality & Safety

Significant progress was made during the year to review and develop the Trust's DATIX Risk Management System to ensure it is more user-friendly for staff. This is aimed at encouraging incident reporting and enhancing the ability to share learning and provide staff feedback. To ensure that the DATIX system can achieve its full potential, work was completed to upgrade to the latest version. This includes many enhanced features such as automatic feedback on learning.

A regional Morbidity & Mortality (M&M) system has been piloted in the Trust this year and will be fully operational for all teams by mid-April 2017. This is aimed at ensuring

consistency so that M&M meetings are effective, produce shared learning and, ultimately, improve patient safety throughout Northern Ireland.

In June 2016 the Northern Ireland Safety Forum facilitated a workshop for Trust Board on how using quality improvement methodology can provide assurance that services are safe. Other Quality Improvement (QI) events held this year include Junior Doctor QI and Audit competitions, a QI Dragon's Den and the 3rd annual QI Showcase day.

Bereavement Services

The Trust Bereavement Forum held a World Café style workshop in October to formulate an action plan to address the recommendations from the regional Bereavement Audit 2016. Some of the main themes included increased provision of staff training and awareness of the support available for staff, the role of community staff in bereavement care and provision of information for bereaved relatives.

Infection Prevention and Control

The Trust has maintained the highest compliance in the region with caesarean section surveillance-related documentation and demonstrates an ongoing reduction in infection rates over time. It also has a lower rate than the rest of the region for orthopaedic surgical site infection which is less than 1% of all surgery.

As part of the Methicillin Resistant Staphylococcal Aureus (MRSA) bacteraemia reduction improvement programme, the Infection Prevention and Control Team has commenced focused education and support with pre-registration and medical staff with regard to Aseptic Non Touch Technique (ANTT).

The Trust Antimicrobial Management Team has reviewed the NICE guideline "Antimicrobial Stewardship: Systems and Processes for Effective Antimicrobial Medicine Use", with a view to improving the quality of prescribing, identifying any resistance patterns and to steward antimicrobials that are prescribed.

Research and Development (R&D)

During the period 2016/17, research activity has increased with 59 new research project applications being received. To support the ongoing approved research activity as well as the increase in the number of new research projects, the R&D infrastructure has been strengthened within the research office team and research nursing team to facilitate high quality research. An Interreg application to establish a Centre for Clinical Decision Making and Patient Safety has also been successful.

1.2.1.6 Finance and Contracting Directorate

The Finance and Contracting Directorate provides a range of high quality professional services to enable the Trust to meet its overall aim of delivering safe and effective services to patients and clients.

The key functions of this Directorate include: financial services, including statutory accounting and reporting; financial management; capital planning and investment; costing; value for money/efficiency support and dedicated financial expertise; and contracting with the voluntary, community and private sector for health and social care services.

The Finance Department supported the Trust in managing its £603m revenue and £69m capital spend in such a way that enabled the organisation to reach its capital resource limit target in 2016/17 and report a revenue surplus of £75k.

The Directorate has prepared the statutory accounts which confirm the Western Trust's financial position for 2016/17.

The Financial Management Division supported the development of the Financial Plan during 2016/17 and the monthly financial performance reporting to Trust Board, HSC Board and Department Of Health. The division is currently working on the 2017/18 Financial Plan with the HSC Board and Department Of Health.

The Trust has an extensive capital programme and the Capital, Costing and Efficiency Division has supported the Trust in the monitoring of major business cases relating to the Radiotherapy Unit and Phase 5.1 of North Wing at Altnagelvin, as well as the Enhanced Local Hospital in Omagh. The Division has also provided programme support to the development and delivery of both the 2016/17 Productivity and the Quality Improvement Cost Reduction (QICR) Programmes.

The Trust transferred payroll, payments and income to the Business Services Organisation (BSO) in 2014, which manages a shared service arrangement for delivery of these functions. A key role of the Finance Department within the Trust is to ensure that these services are delivered in accordance with the agreed Service Level Agreement with the BSO. The Department continues to manage the interface between the Trust and the BSO in relation to these services.

Prompt Payment Performance

One of the key performance indicators of the Trust is prompt payment performance. A monitoring team within the Finance and Contracting Directorate is in regular contact with Trust managers reminding them to approve invoices on their workbench and Directors receive regular reports on their staff's performance. These actions have resulted in performance in 2016/17 against the 30-day prompt payment target of 92.9% (by number) / 93.8% (by value) and 82.8% (by number) / 87.1% (by value) against the 10-day target.

Extension of the Financial Assessment function

The Trust continued during 2016/17 with the phased implementation of a new business process in respect of the financial assessment of service users whose care assessment results in a residential or nursing home placement. The new process primarily involves the transfer from social care to Finance of the responsibility for the initial discussion and collection of information from service users or their representatives regarding the service user's financial circumstances and how they might impact on the financial contribution by the service user towards his/her care. The new process improves the efficiency and effectiveness of the financial assessment process and provides service users and their families with more timely and up-to-date information. Importantly it allows social care staff to focus entirely on the care aspects of the placements, with Finance supporting the financial aspects.

The new process has now been embedded within all areas of the Primary Care and Older People's Directorate (PCOP). During 2017/18, the process will be deployed to applicable areas within the Adult Mental Health and Disability Directorate.

Investment in Support for Direct Payments

The development of Self Directed Support has led to a significant increase in the number of clients accessing Direct Payments with regular recurring payments increasing by 163 during 2016/17 to 632 at 31st March 2017. The Directorate added an additional staff resource during the year to support the Trust's Service Directorates in managing the growth in demand for this service.

Full time opening of Altnagelvin Cash Office

The Finance & Contracting Directorate has recently consulted on a revised staffing structure. One of the changes that will now be put in place is increased opening hours of the Altnagelvin Cash Office. One of the key roles of the Cash Office is to reimburse patients who are entitled to reclaim the cost of attending consultant led clinics at the hospital. Additional opening hours will mean a much more timely and efficient process for those patients who are entitled to reimbursement. The increased opening hours will also facilitate introduction of more widespread payment in advance arrangements for some services that are currently invoiced in arrears. The new arrangements should reduce bureaucracy and reduce the possibility of bad debts.

Contracting for Social Care Services

During the past two years, the Directorate's Contracting Department undertook a project to provide information, support and guidance to a number of Trust Directorates as part of a drive to reduce expenditure on a range of social care contracts with the community and voluntary sector. The outcome of this project was a recurring annual saving of £318,000. During 2016/17, the Directorate supported the Service Directorates in the second phase of the project which seeks to increase productivity by more robust contract performance management. These arrangements have now been mainstreamed and the project has concluded.

Procurement

The Directorate helps to maintain a focus on the Trust's procurement agenda by supporting the Trust Procurement Board, the Trust Social Care Procurement Board and the Trust Operational Procurement Group. A key output from this work is the development of a three-year Trust Procurement Strategy which sets out the Trust's procurement vision and objectives. The Directorate supported the Trust during the year in implementing its procurement strategy.

Finance, Procurement and Logistics (FPL) System

The Finance Department has been involved in foundation work for the upgrade of the FPL system scheduled to take place in June 2017. This upgrade will improve the look and feel of a number of end-user system functions and is part of the current FPL contractual agreement.

Restructuring of the Directorate

A consultation on a revised Finance and Contracting Directorate structure was carried out in March 2016. The agreed structure has been rolled out during 2016/17 and is expected to be concluded by Summer 2017.

Did you know that during 2016/17 the Finance and Contracting Directorate...

- Made over 6,500 payments to clients who chose to receive Direct Payments to enable them to purchase their own care;
- Managed 648 social care expenditure contracts with the community and voluntary sector on behalf of the Trust's Service Directorates;
- Managed a fleet of over 500 leased car vehicles that are used by Trust employees;
- Dealt with over 5,200 queries from Trust managers and staff about the Finance, Procurement and Logistics (FPL) system;
- Supported the Service Directorates in 180 formal contract review meetings with providers;
- Supported 389 budget holders collectively managing an overall budget of over £600m;
- The Director of Finance's Office co-ordinated 55 Freedom of Information Act responses.

1.2.1.7 Human Resources Directorate

Employee Resourcing

Medical Workforce Recruitment, Reform and Job Planning

The Medical Workforce Recruitment & Reform Project (QICR 3) continues to work to attract International Doctors and has, at 31 March 2017, secured the appointment of 35 internationally recruited doctors since this project began in 2015 and of these, 27 are still in post. These doctors are employed on Western Trust contracts, working across a range of grades and specialties in Altnagelvin and South West Acute Hospitals. In addition, 5 doctors have converted from locum rates to NHS contracts. During the 2016/17 financial year, the work of this Project has delivered on cash savings and cost preventative measures totalling £1.2 m (nett of the investment in the project team). In addition, the Trust has made a further 21 offers of employment to internationally recruited doctors and these offers are currently being progressed.

Whilst the overall trend across the province remains that of increased agency locum medical costs, the Western Trust will continue to drive this project forward during 2017/18 and considers that this work will be essential to achieving further quality and cost improvements, with a further financial target of £1.2 m having been identified for the 2017/18 financial year.

HSC Pensions Reform



During 2016/17, the HR Directorate continued to maintain close links with HSC Pensions to ensure that as an HSC employer the Western Trust fulfilled all its responsibilities. The Trust commissioned extra support and guidance from HSC Pensions to meet the requirements of the Pensions Reform. In addition the HR Directorate supported the delivery of a range of tailored workshops and seminars to staff across the Trust area, as well as issuing Technical Updates, Posters and other communications to staff relating to specific aspects of the Pension Reform and

changes affecting their pension arrangements, e.g. the Choice 2 exercise which took place earlier in the year.

Medical HR

The Medical HR department has been responsible for issuing 356 employment contracts for medical posts Trust-wide which includes the NIMDTA junior doctors intake, medical staff at all levels across all specialties and locum medical staff.

Work is underway to implement electronic job planning for all consultants and this will remain a priority for 2017/18 ensuring that the Trust can effectively report on clinical activity and maximise efficiency in this area of the service.

Occupational Health

In addition to providing a valuable pre and post-employment occupational health service to Trust employees, this year the Occupational Health team was also charged with delivering the annual Flu Vaccination Campaign with the focus on ensuring that 25% of employees were vaccinated. In total 2,575 Health and Social Care workers received their flu vaccine this year.

Recruitment

The Recruitment team was particularly busy this year. As well as the normal work of ensuring that the right people were in the right jobs at the right time, they were also preparing for the move to a Regional Shared Service. However, they still recruited 1,744 employees to the organisation during the period 1 April 2016 – 31 March 2017.

Terms and Conditions of Service

The Terms and Conditions department plays a crucial role in ensuring that Trust staff receive the terms and conditions of service to which they are entitled. During 2016/17 the team processed the following:

| | |
|--|-------|
| Career Break applications | 35 |
| Employment Contracts | 2,347 |
| Maternity, Paternity & Adoption applications | 444 |
| Pension Applications | 190 |
| Term Time applications | 118 |
| HRPTS Worklist items | 5,280 |

In addition the team also dealt with childcare vouchers, contract addendums, incremental credit applications and verification of service for new staff.

Workforce Performance and Development

Appraisal and Development Review (ADR)

Supporting a 5% increase uptake of ADR within the Trust across all Directorates remained a priority during 2016/17, as we continue to work toward achieving the target of annual appraisal of 95% of medical staff and 80% of other staff having an annual appraisal.

The percentage of non-medical staff appraisal and development review for the first 6 months of the year showed a 19% improvement on the previous year's figures for the same period to 23%. Engagement in the appraisal process for medical staff continues to improve year on year towards the 95% target and a webinar has been developed to train managers in all aspects of recording appraisal and development review on HRPTS. It is being tested for use and will be implemented in appraisal and development training in the 2017/18 appraisal year.

HSC Staff Survey

Since receiving the HSC Staff Survey report in the summer of 2016, each Directorate has been provided with a bespoke report of the survey findings based on responses provided by their staff. Each Directorate has developed an action plan to address the areas of improvement highlighted by the survey and a Corporate Action Plan has been developed to build on the Directorate plans. Some of the actions taken to date include:

- introduction of a Staff Ideas Scheme
- roll-out of a resilience toolkit for staff
- increased training on appraisal and development review
- review of Corporate Walkabouts to increase visibility of senior managers and engagement with staff
- review of flexible working arrangements
- "Inspire" leadership development programme
- Trust culture group established
- introduction of a range of initiatives to further promote the health and wellbeing of staff e.g. healthy eating programme, physical activity programme, travel plans to promote walking and cycling
- engagement with staff in the development of a new Corporate Plan
- leadership conference

Action plans will be monitored at six-monthly intervals to review progress and communicate same to Trust staff.

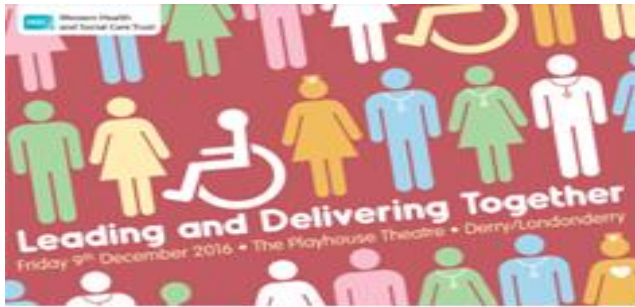


The INSPIRE programme is designed to support the Trust's succession planning process and to equip middle managers to deal successfully and confidently with the range of challenges in their role. 50 middle managers across all 9 Directorates have taken part. The evaluations received both from CMT and all participants involved are overwhelmingly positive. Some of the comments captured from participants across 3 cohorts include:

- *"Inspirational"*
- *"Challenging with fun!"*
- *"Great opportunity to network"*
- *"I learned so much from the total experience"*
- *"Really pushed me to think more strategically"*

- *“Before INSPIRE, I only considered my world”*
- *“I realise I can make a difference”.*

The INSPIRE programme will be mainstreamed into the core business of Management & Organisation Development, running two programmes per year, one in each sector of the Trust.



First Annual Leadership Conference

December 2016 saw the inaugural Trust Leadership Conference – “Leading and Delivering Together” - for senior clinicians and managers. The conference highlighted the importance of leadership within the Trust with a focus on health, wellbeing and resilience. 160 Trust leaders heard from inspirational speakers, who reminded them that quality improvement and staff engagement = results, that great leaders focus on being not on doing, of the tools and techniques available to promote resilience and mindfulness, and Elaine Way, Chief Executive, delivered the Opening Address by reflecting on how individual resilience leads to resilient leadership.

Participants reflected on what they learned and comments included:

- “This was an excellent and thought provoking day. Was thoroughly enjoyable with great learning as a result.”
- “Use the tools to improve my resilience. Be positive, support and engage my teams to push through barriers, work collaboratively and add value.”
- “Lift my level and be conscious about my leadership impact”
- “Adopt a more positive attitude to challenges I face. Be more mindful of how I react to situations and issues”

Reform and Modernisation of Domiciliary Care Services

HR continued to support the workforce transformation required to implement the Reform and Modernisation of its domiciliary care services, as part of the Reablement Programme within the Transforming Your Care Programme.

Many new staff were recruited and/or retained and 31 staff availed of the Voluntary Exit Scheme.

In supporting the on-going Modernisation of domiciliary care services, 21 candidates were registered to undertake the QCF Level 3 Diploma in Health & Social Care (Adults) and 18 staff from Reablement successfully completed their qualification during the year.

Vocational Training

During 2016 a total of 105 learners have been supported by the Vocational Training Assessment Centre team to complete an accredited qualification or unit/s from a qualification, ranging from level 2 to level 5. Completing these qualifications has enabled 11 learners to be successful in progressing to further education into nursing. Since September 2016 a further 77 candidates have been registered for QCF qualifications. This year 1 learner received the City & Guilds' Medal of Excellence which recognises the achievements of learners, lecturers and trainers who have achieved great results by producing exceptional work.

ASPIRE

ASPIRE is the Fermanagh & Omagh District Council led employability programme supporting people into paid employment. The Trust is facilitating 20-30 placement opportunities during the 3-year life of the programme from 2015-2018 organised through the Vocational Training Assessment Centre. We are delighted that some of the individuals who were offered placements have gone on to secure employment in the Trust in both administrative and Nursing Assistant positions.

Absence Management

Supporting a reduction in the Trust's absence levels across all Directorates remained a priority for the HR Directorate during 2016/17 with particular emphasis on achieving the target set by the Department of Health of reducing absence due to sickness by 5%. A detailed project plan for 2017/18 has been developed to support achievement of the 5% target. The Trust continues to apply a case management approach to absence management, with managers supported by Occupational Health Department and HR Directorate Support Teams. In addition the QICR Team together with the HR Directorate Support Teams have focused on particular wards and departments where the overall absence level is highest, to identify causes and to support managers to develop action plans to address this.

The Trust's Absence Recording team has worked with managers during 2016/17 to ensure that all absence is now recorded electronically. The Absence Team has been producing accurate absence reports for 2016/17 to Directors and Assistant Directors to assist their decision-making and management.

Employee Relations

The Employee Relations department had one of the busiest years to date providing professional advice, guidance and support to managers while handling the following:

- Disciplinary issues including formal hearings 61
- Grievance issues including formal hearings 87
- Statutory cases 22

Trade Union Engagement

The Trust's Joint Forum and Local Negotiating Committee have met regularly throughout the year to consider policies, procedures and employment issues related to the reform and modernisation agenda. The Trade Union Consultation Group has also met on 19 occasions and considered 48 service/workforce proposals in relation to restructuring and service changes. These meetings have enabled more effective change management.

1.2.1.8 Performance and Service Improvement Directorate

The Performance and Service Improvement Directorate provided an extensive range of support across a number of services prior to the opening of the new North West Cancer Centre in November 2016, which included support across ICT, Estates Services, Communications and Support Services. These areas are now providing increased support ahead of the opening of the Omagh Local Enhanced Hospital in June 2017.

Corporate Plan

During 2016/17 the Performance and Service Improvement Division led the development of the revised Trust Corporate Plan which involved an extensive period of consultation across a wide range of stakeholders with the revised plan being approved by Trust Board in March 2017.

Information Communications Technology

In 2016/17 the ICT Department continued to support a number of major projects which are currently being implemented throughout the Trust as follows:-

1. Omagh Hospital and Primary Care Complex

Implementation of an ICT infrastructure to support the opening of the new Omagh Hospital and Primary Care Complex (OHPCC) in June 2017 continues to progress. Delivery of Telephony equipment has been received and Network Design procurement has been completed and delivery of this infrastructure is almost complete. Data Centre Design has been completed for server, storage and security and an order is about to be placed for this element of the hardware infrastructure for the new hospital. Other elements of hardware procurement to follow include printer and PC provision. A detailed rationalisation exercise of printing requirements was undertaken and consultation with relocation leads completed. A detailed programme of workstreams continues to be updated on Project Vision and progress on the ICT element is reported to the monthly Omagh Operational Commissioning Group.

2. CIS – Community Information System

The Community Information System, PARIS, is currently implemented in the Community Brain Injury Service, Community Children's Nursing, CAMHS, Autism Spectrum Disorder (ASD) service, Treatment Rooms, Oxygen Service, TB Service, Pulmonary Rehabilitation service and Community Respiratory Service. The project team is currently engaging with the Acute Care At Home service, Western Education Support Team (WEST.) Planning is underway for a number of mental health services that will go live in 2017/18 when the You in Mind specialist forms have been agreed regionally and supporting PARIS functionality changes have been implemented. Migration and process workshops are being held for the migration of eNISAT from the liquid logic solution to eNISAT v4 which has been developed within PARIS.

Regional work has been ongoing to agree UNOCINI and LAC forms and processes which will be implemented when Children's services move onto PARIS. Soscare migration plans have been developed to support this move. A suite of eLearning modules have been developed covering core PARIS functionality and work is underway to implement dashboard reporting to complement the existing reporting suite.

3. NIECR

The implementation of the Northern Ireland Electronic Care Record (NIECR) continues to progress within the Trust. The following are the main themes over the last year.

- **e-Referrals Triage Management Solution** – rollout continues across specialities in Altnagelvin, TCH and SWAH
- **Radiology Ordering** – Users are moving from Sectra Ordering Management System to NIECR Ordering. We are now operating a dual system with Sectra Ordering still available, however, rollout and training continues across the Trust.
- **Diabetes Pathway** – Implementation planned for February Trustwide.
- **ROI/North West Cancer Centre (NWCC)** –a solution has been provided to allow ROI referrals to NWCC and treatment documents to be uploaded directly to NIECR. This is to run until the integration work between ROI and NWCC systems is complete to allow electronic transfer of information.

Equality & Involvement Team

The Western Trust's Equality and Involvement (E&I) Team continues to work with the Trust's Service Directorates to support the Personal and Public Involvement (PPI) Equality and Human Rights, and Disability training and awareness.

During 2016-17 the Equality & Involvement Team worked regionally on the development of new Equality and Disability Action Plans for 2017-2022. The regional consultation event was followed by a local pre-consultation event in January 2017 within the Western Trust area which enabled people the opportunity to have their say on what could be included in our plans and to talk about priorities. Attendees were also given a chance at the event to find out about some existing programmes within the Trust that are co-designed and co-produced with service users, and were given the opportunity to comment on the Trusts consultation on its Corporate Plan.

The Trust hosted its third 'Engage' Event on 10 March 2017. The event, which was funded by the Public Health Agency (PHA), was an opportunity for the Trust to highlight Personal and Public Involvement (PPI) work, share learning and celebrate and showcase good practice in relation to PPI within the Trust. Over 100 service users/members of the public, community and voluntary representatives and Trust staff had the opportunity to speak informally to service users/clients and staff involved in the planning, development and delivery of Health and Social Care Services in the Trust and to learn of further opportunities for involvement.

Corporate Communications

Corporate Communications continue to place a great emphasis on the development of its social and digital media platforms. The Trust's website, www.westerntrust.hscni.net, has approximately 900 visitors per day and 25,000 unique visitors each month. The Trust's Facebook page has now attracted over 16,000 Facebook followers with up to 43,632 people engaging in posts, posting approximately 39 articles per month, tailored with enriched content for the local audience. Our Facebook stories have been viewed 3,962,324 times in this period. Through rapid growth, the Trust now has 3,583 followers on its Twitter page. The Trust tweeted 704 stories and the Trust's YouTube channel had 24,507 views of its video content.

Corporate Communications has supported over 850 media queries in 2016/17, issuing approximately fifteen press releases/good news stories to local, regional and cross border media each month, with an average of 70 positive articles printed and obtained through in-house media monitoring per month. The Corporate Communications Team also provide enhanced communications support to major Trust projects, working very closely with the project teams, including the North West Cancer Centre and the Omagh Local Enhanced Hospital and Primary Care Complex.

The Team is currently focusing on developing its public affairs function. At present the Trust engages with local MLAs quarterly through face-to-face all party briefings. An email newsletter eBrief is also issued to MLAs and public representatives monthly and contains pertinent information on Trust business, announcements and good news stories.

The Team also provides advice regarding plain language and design of information publications. During this period, Communications was involved in or advised on 37 publications.

Emergency Preparedness & Business Continuity

A comprehensive review of the Trust's Major Incident Plan was completed in 2016/17 with a small working group established comprising of nominations from Directors and included a review of the learning from all the formal debriefs which have taken place following major incidents in both acute and community services over the last 3-4 years. Workshops and direct consultations with Service areas took place and it was agreed that the Trust required an overarching Emergency Plan detailing activation and escalation procedures with divisions to reflect incident specific information required during a hospital, community or combined response. The revised plan was forwarded for consultation and comment in early December with a desktop exercise based on the revised plan held in January 2017 and formal approval granted by Trust Board in March 2017.

The Trust moved into Business Continuity mode as a result of increased pressures on the Emergency Department, Altnagelvin and the whole hospital on 14th December. A major incident was declared on Monday 2nd January due to severe pressure within the Emergency Department which was stood down a number of hours after being declared. A debrief process with relevant stakeholders was completed and a formal report is being prepared with a number of actions identified for implementation.

The annual Emergency Preparedness Report for 2016/17 is being prepared ahead of formal Trust approval and submission to PHA by end June 2017. The report is compiled in accordance with the performance monitoring arrangements for Emergency Preparedness issued by Department of Health and Public Health Agency in Circular HSC (PHA) 01/2010 and Guidance Circular HSC (PHD) 01/2013.

Facilities Management

Energy

The Trust's Energy Team (3 staff) is responsible for maintaining the Trust wide utilities database, monitoring to identify trends, reviewing targets and minimising energy wastage where possible. The energy team is also responsible for undertaking obligatory statutory compliance returns, e.g. EUETS and CRC, which detail Trust-wide carbon emissions.

The Trust remains committed to reducing the Trust's impact on the environment, both in terms of carbon emissions and energy use. Over the past 12 months, this team has led on a number of schemes to increase energy efficiency and reduce the Trust's carbon footprint. These include:

PV at Woodlea

The Trust has recently installed 12no. kilowatts of photovoltaic panels on the roof of Woodlea House on the Gransha Estate. The PV array is forecasted to generate in excess of 10,000 kilowatt hours of electricity per annum, energy which will be primarily utilised on site. This PV array will also reduce the Trust's carbon emissions by 6,000 tonnes per annum.

Altnagelvin Boiler House: Increased energy efficiency

New equipment was installed in March 2017 in Altnagelvin to improve boiler efficiency. The scheme is forecasted to reduce carbon emissions by approximately 700 tonnes per annum.

Altnagelvin Site Partial Decentralisation: Increased energy efficiency & steam resilience

The objective of this scheme is to increase energy efficiency and also steam resilience by removing several non-acute, stand-alone, buildings from the site steam infrastructure. This scheme is due to complete in late Spring 2017 and is forecast to reduce carbon emissions by approximately 26 tonnes per annum.

Energy Efficiency Investment Programme

The Trust has been asked by the Department of Health to participate in a "*Proposed Energy Efficiency Investment Programme*". Recent research undertaken by the Department of Health indicates that energy costs for large users, such as the Trust, have increased substantially over the past decade and are forecasted to increase further in coming years. We have completed an exercise in compiling a schedule of feasible energy efficiency projects as well as identifying further potential energy efficiency projects. This process is currently on-going.

Car Parking Targeted Engagement for the new Omagh Hospital and Primary Care Complex

Support Services have recently completed a 12-week targeted engagement process on the proposed car parking arrangements for the forthcoming Omagh Hospital and Primary Care Complex.

This process involved engaging with over 280 groups and individuals on the proposed configuration of the 863 car parking spaces on the new site. The proposal includes introducing for the first time paid-for parking on an element of these spaces aimed at those patients/visitors who will be attending the site to access secondary care services. The consultation sought views on the number, location and proposed hourly charge rate. Comments were also sought on the Trust's intention to introduce its Car Parking Operational Procedures to the new site to help maintain accessibility and protect disabled parking spaces.

During the engagement, Support Services staff attended a number of internal and external events/meetings to talk staff and external organisations and groups through the new car parking arrangements and take their views/comments. Consultation closed on 9th January and the proposed car parking arrangements were approved at Trust Board in March 2017.

Car Parking Operational Procedures

The Trust's Car Parking Operational Procedures for Altnagelvin and SWAH were implemented on 3rd October 2016 and included a 2-week 'grace period' to help site users adjust to the changes. The overall aim of the Procedures is to improve accessibility to the sites and in particular to protect blue light emergency routes and the needs of disabled site users. Support Services continues to monitor the car parking situation closely on both acute hospital sites as there continues to be a level of congestion during peak demand periods midweek. Generally however, the Trust confirms that following an initial bedding in period there is now a more settled position on both sites with a notable and positive impact in terms of the appropriate use of disabled bays, drop off/collection areas and blue light routes remaining clear since the new arrangements were introduced. Support Services are working with service colleagues to review the need for additional spaces on its hospital sites as part of its planning for 2017/18.

South West Acute Hospital PFI

As the South West Acute Hospital approaches its fifth anniversary, the focus in the second half of 2016/17 has been the establishment of steady state operational arrangements and routine service delivery with PFI provider Northern Ireland Health Group and their Facilities Management provider Interserve FM. The terms of a Deed of Settlement have now been finalised which concludes the recovery of energy costs, the settlement of financial deductions and confirms agreed operational guidelines to benefit the future working of the contract.

The Directorate of Performance and Service Improvement continues to maintain robust monitoring and management arrangements for the SWAH PFI contract with significant steady progress made in the achievement of 6 Directorate Goals. This includes an extensive upgrade to the FM Management Information System and ICT Network, the implementation of new Energy Initiatives and Energy Conservation Action Plan and the finalisation of the Water Safety Plan reflecting an updated Water Risk Assessment following significant upgrade works. Safety and Quality audits continue to ensure the maintenance of high standards and compliant practices, with targets for continuous improvements across a range of indicators agreed.

Works to modify the layout of the Emergency Department in line with emerging best practice from Department of Health guidelines have been completed, with initial feedback from staff, patients and visitors being wholly positive. The Phase 2 Post Project Evaluation is currently being finalised which shall conclude the requirements of the OGC Gateway 5; Operations Review and Benefits Realisation.

Health Improvement Department

During 2016/17, the Health Improvement Department strengthened its focus on reducing health inequalities, strengthening its prevention and early intervention role to support the Trust's Reform Agenda and promoting the Trust staff's health and wellbeing.

Resilience Tool Kit and Infographic for Trust Staff

The Health Improvement Department launched the Resilience Toolkit and supporting Infographic at the Trust Leadership conference in December 2016. The aim of the resource is to enable individuals to build and maintain their personal resilience. It can also be used as a team approach to develop strategies to support them in their areas of work. The toolkit and infographics are currently being uploaded to the Western Trust site. Information will be circulated to staff on how they can access these resources.

Falls Prevention Checklist for Over 65's

A Falls Prevention Checklist Booklet for older people has been developed by the Western Falls Prevention Steering Group. The vast majority of accidental injuries in the home are caused by falls which can arise from sources such as ill-fitting footwear and not using appropriate lighting and mats which are not non-slip. Recurrent falls are associated with increased mortality and increased admissions to hospital. The checklist is designed to be easy to read with the aim of preventing falls in the home. The booklet will be made available for people who work with the over 65s throughout the Western Trust area.

Investing in Your Health (IIYH)

The Investing in Your Health Staff Programme has grown this year to include a number of new initiatives and opportunities for staff to help improve their health and wellbeing. Emphasis has been placed on the staff's physical and emotional wellbeing and communicating the health message to staff.

Mental Health Charter

A unique partnership between Outer West and the Health Improvement Department saw the development of a new mental health charter for the area. The charter is the first of its kind for the community and sets out a clear vision to promote mental health in the area. The model has incorporated the “Take Five Ways To Wellbeing” and was launched on the 10th of October as part of world mental health day.

1.2.1.9 Strategic Capital Development

Altnagelvin Hospital Redevelopment

The strategic redevelopment programme for Altnagelvin Hospital continued in 2016/17 with the award of the construction contract for the new £70 million North Wing facility at the hospital. Located adjacent to the new cancer centre, the North Wing will deliver replacement accommodation for 6 of the inpatient wards located in the existing hospital Tower Block. The project will also provide a new main entrance to the hospital, adjacent to the multi storey car park.

Construction commenced in December 2016 on a three-year works programme, to be delivered in two stages. The first stage will provide 3 inpatient wards and is expected to be completed by Autumn 2018. The existing Care of Elderly Building will then be demolished to enable the second stage of the project, which will provide the final 3 inpatient wards and a new main entrance. It is anticipated that all work will be completed by the end of 2019.

Altnagelvin New Theatres

Approval was received in 2016/17 to award the construction contract for two additional theatres in the daycase unit at Altnagelvin. Work commenced on site in March 2017 and is programmed for completion in Spring 2018.

In parallel to construction activities, work will also be undertaken to put in place the additional service resources needed to ensure the new theatres are fully utilised on completion.

North West Cancer Centre

The North West Cancer Centre was completed and handed over to the Trust for occupation in 2016 and, after a period of commissioning, services for patients began operation in the building in November 2016 and greatly enhance existing cancer care services already being delivered at the hospital.

Over 200 staff have been appointed to work within the centre across a number of different disciplines, including Consultant Oncologists, Nursing staff, Therapeutic Radiographers, Medical Physicists and Diagnostic Radiographers. These are ably supported by administrative, engineering and support services staff.

The new facility provides radiotherapy treatment for cancer patients living within the Western Trust area, the northern sector of the Northern Trust (BT51 to BT57) and Donegal (Letterkenny University Hospital locality). The centre also facilitated an expansion to Chemotherapy treatment delivered at the hospital.

The Centre has three state-of-the-art Linear Accelerator Machines, providing the radiotherapy treatment. There is a designated area for a fourth treatment machine, should the need and opportunity arise in the future. The centre also has a CT Simulator for radiotherapy treatment planning and a CT Scanner and MRI Scanner for radiology diagnostic services.

An inpatient ward is also located in the new facility, accommodating 27 individual bedrooms for single and combination radiotherapy patients.

Altnagelvin Health and Wellbeing Centre

The construction works at the new Health and Wellbeing Campus on the Altnagelvin site are nearing completion. This exciting new development is the result of a partnership between Macmillan Cancer Support and the Western Health and Social Care Trust to provide a new Macmillan Support Centre along with the refurbishment of the existing Agnes Jones building. The works are due to complete in early Summer 2017 which will be followed by a short period of commissioning. This will enable us to welcome patients, carers and their families living with cancer and long term chronic conditions into the new Campus to avail of services later in Summer 2017.

Omagh Hospital and Primary Health Care Complex

Construction work on site of the new £105 million Omagh Hospital and Primary Care Complex adjacent to the Tyrone and Fermanagh Hospital is nearing completion with the final finishes being added to the buildings and grounds. The project is now entering into the Trust commissioning phase followed by the implementation of the move plans to relocate services to the new facility.

The new Omagh Hospital and Primary Care Complex is planned to be operational from June 2017, at which point all services currently provided at Tyrone County Hospital, including urgent care and treatment services, will transfer across to the new Complex. The GP Family Practices and services currently based in Omagh Health Centre are also planned to be re-located to the new Complex from late June 2017.

The 13.8 hectare site comprises a new 27,882 m² building which provides ground floor accommodation for GP Practices, urgent care and treatment, cardiac assessment, renal dialysis, out-patients, dedicated children's department, X-ray and imaging. The first floor will include in-patient rehabilitation, recovery and palliative care services delivered from single en-suite rooms along with day case theatres, community dental, allied health professionals' therapy centre, a community mental health team and a dedicated centre for women's health.

Rathview Mental Health Extended Recovery and Rehabilitation Unit

Following approval of the full business case for the £3.7 million Rathview development, the construction contract was awarded in November 2016. Construction work has commenced on site and is expected to be completed in late 2017.

The new Rathview Mental Health Extended Recovery and Rehabilitation Unit is located at Cranny near to the Tyrone & Fermanagh Hospital. This facility will provide support to clients encountering difficulty sustaining community placements due to severe and enduring mental illness and related difficulties.

The Trust continues to work alongside the Department of Health to finalise the business case and secure approval for the proposed new Omagh Mental Health Unit.

1.2.2 Environmental Issues (Sustainability Report)

The Trust remains committed to ensuring that the risks to the environment from installing, maintaining and operating the Trust Estate are minimised as far as is reasonably practicable, and has continued to maintain a Trust wide ISO14001 Environmental Management System to support this agenda. The Trust has in place a robust Environment Policy which outlines how the Trust effectively manages any activities that may have a potential impact on the environment, including; monitoring of emissions and discharges; management of energy and water; management of waste; management of biodiversity; transport and car parking; procurement of goods/services and works; maintenance of buildings, plant and equipment and grounds maintenance.

The Trust's Waste Management Plan continues to be implemented. The Trust continues to minimise waste and the amount of waste sent to landfill. In 2016/17, over 75% of the Trust's total waste was reused or recycled.

The Trust continues to invest in an Energy Management Team which is tasked with delivering on the Trust's sustainability agenda. This team has assisted in achieving approximately 13.5% reduction in utility consumption since 2009.

The Trust completed a tendering exercise for the supply of natural gas and electricity in 2016, for a 4-year period, until March 2020. This innovative procurement was delivered through a combination of cost and quality award criteria, with the quality element linked to the Department of Health Making Life Better framework in order to deliver added contract value with a focus on health and well-being.

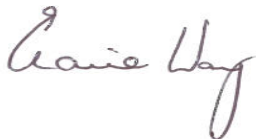
The Trust has identified additional investment of £650,000 which would lead to a carbon reduction of 350 tonnes per annum subject to securing funding for the initial capital requirements. A significant portion of this investment is directly attributable to the provision of on-site renewable energy generation in the form of Photovoltaic Solar Panels. Other elements include planned strategies to increase both operating and fuel efficiencies at individual Trust facilities and central plant areas. The Trust has recently completed 2no energy efficiency improvements schemes within the Altnagelvin site. The schemes' capital investment is approximately £560,000 and it is envisaged that these schemes will realise a combined carbon reduction in the amount of 700 tonnes per annum.

Workforce Travel Plans for the New Omagh Hospital and Primary Care Complex have been completed in conjunction with the relevant stakeholders. These have been forwarded to the planning department for approval prior to the opening of the new hospital in June 2017.

1.2.3 Essential Business Relationships

The Trust has contractual arrangements in place with a number of organisations whose performance is essential to the smooth and effective running of the Trust. The principal relationships are with the following:

- Department of Health as the primary policy maker in the NI Health Sector
- HSC Board and the Public Health Agency as the Trust's main commissioners and providers of the vast majority of its funding
- NI Ambulance Trust which plays such a key role in ensuring the Trust's acute services are accessible to the population of the Western area
- Other HSC Trusts and agencies for the provision of specialist services and staff to our residents
- The Business Services Organisation for the provision of the following support services:
 - Internal Audit;
 - Procurement and Logistics Services;
 - Legal Services;
 - Pension Services;
 - Shared Services Centres for income, payments and payroll;
- Private sector bodies as well as community and voluntary sector bodies who deliver services on behalf of, or in support of, the Trust.
- NI Audit Office and any sub-contracted external audit provider.



08/06/2017

Elaine Way
Chief Executive & Accounting Officer

Date

2 ACCOUNTABILITY REPORT

2.1 Governance Report

2.1.1 Directors' Report

The Western Trust is managed by a Board of Directors comprised of the following:-

| Name | Position on the Board |
|--------------------|--|
| Gerard Guckian | Chairman (until 31 July 2016) |
| Niall Birthistle | Chairman (from 1 August 2016) Non-Executive Director (until 31 July 2016) |
| Sally O'Kane | Non-Executive Director |
| Joan Doherty | Non-Executive Director |
| Stella Cummings | Non-Executive Director |
| Joe Campbell | Non-Executive Director and Chair of the Audit Committee |
| George McIlroy | Non-Executive Director |
| Mary Woods | Non-Executive Director |
| Catherine O'Mullan | Non-Executive Director (from 1 October 2016) |
| Elaine Way | Chief Executive |
| Joe Lusby | Deputy Chief Executive (until 21 April 2016) |
| Kieran Downey | Director of Women and Children's Services and Executive Director of Social Work |
| Alan Corry Finn | Director of Primary Care and Older People's Services and Executive Director of Nursing |
| Trevor Millar | Director of Adult Mental Health and Disability Services |
| Dermot Hughes | Medical Director |
| Lesley Mitchell | Director of Finance and Contracting |
| Ann McConnell | Director of Human Resources |
| Teresa Molloy | Director of Performance and Service Improvement |
| Alan Moore | Director of Strategic Capital Development |
| Geraldine McKay | Director of Acute Services |

The Directors of the Trust would bring to your attention the following issues:-

1. The Trust has arrangements in place to consult with employees and their representatives. The most significant formal mechanism is the Trust's Joint Forum. This is governed by a formal agreement which sets down the arrangements for management and Trade Union Side partnership working in relation to consultation and negotiation on employment matters. In addition the Trust has established a Joint Local Negotiating Committee. This forum focuses on employment matters relating to doctors. The Trust has a range of partnership groups in place which allow consultation on pay issues and reform and modernisation proposals.
2. The Department of Health requires the Trust to pay its creditors in accordance with the CBI Prompt Payment Code and Government Accounting Rules.

Details of compliance with the Code are given in Note 14 to the Accounts at Section 3 of this document.

3. The Trust participates in the HSC Pension Scheme and Note 1.19 to the Accounts at Section 3 of this document outlines the accounting treatment adopted.
4. The Trust maintains a Register of Interests covering Directors and key management staff and operates procedures to avoid any conflict of interest. On the basis of a review of this Register, it has been confirmed that none of the Board members, members of the key management staff or other related parties had undertaken any material transactions with the Western Health and Social Care Trust during the year. The Register can be viewed by contacting the Chief Executive's Office. Further detail is provided in Note 22 to the Accounts at Section 3 of this document.
5. The Trust had no adverse data related incidents to report to the Information Commissioner's Office in 2016/17.
6. The Trust has an Audit Committee which is a formal Committee of the Board and membership is as follows:-
 - Joe Campbell – Non-Executive Director (Chair)
 - Niall Birthistle – Non-Executive Director (until 31 July 2016)
 - Sally O'Kane – Non-Executive Director (until 30 June 2016)
 - Stella Cummings – Non-Executive Director (until 30 June 2016)
 - Joan Doherty – Non-Executive Director (from 1 July 2016)
 - Catherine O'Mullan – Non-Executive Director (from 1 October 2016)

The Audit Committee has adopted the handbook issued by the Department of Health which details the terms of reference and the operating standards of the Committee.

7. All Directors have confirmed that there is no relevant audit information of which the Trust's auditors are unaware. They have confirmed that they have taken the steps as Directors in order to make themselves aware of any relevant audit information and to ensure that auditors are aware of that information.

2.1.2 Statement of Accounting Officer Responsibilities

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

The Permanent Secretary of the Department of Health, as Principal Accounting Officer for health and personal social services resources in Northern Ireland, has designated Elaine Way of Western Health and Social Care Trust as the Accounting Officer 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 Western Health and Social Care Trust's assets, are set out in the Accountable Officer Memorandum, issued by the Department of Health.

2.1.3 Governance Statement

Scope of Responsibility

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

For services commissioned from the Western Health and Social Care Trust by the HSC Board and other Health and Social Care organisations, accountability for delivery of services is via Service and Budget Agreements which detail the quantity, quality and cost of services. However, with regard to financial control, governance and overall organisational performance the Trust is directly accountable to the Department of Health and the Minister of Health.

Trust senior executives meet regularly throughout the year with colleagues in the Department of Health and the HSC Board / Public Health Agency. They participate in a wide range of meetings including accountability meetings with the Department of Health and performance management meetings with the HSC Board. They also take part in regional meetings such as Quality 2020, Financial Stability Programme Board, Transformation Implementation Group and Directors' meetings.

Compliance with Corporate Governance Best Practice

The Trust Board of the Western Health and Social Care 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.

Trust Board has completed an annual Board Governance Self-Assessment Tool since 2013, which is based on the structure and format used by the Department of Health in the NHS. In 2015/16 the Trust appointed 3 new Non-Executive Directors (NEDs) which helped to address the requirement to stagger appointments and ensure an appropriate balance of NEDs that are new to the Board and those that have served on the Board for longer. One of these NEDs has been appointed as the Finance Non-Executive Director as he is a qualified Accountant and he took over as Chair of the Audit Committee in April 2016. A further Non-Executive Director was appointed in 2016/17.

Internal Audit undertook an audit of Board Effectiveness as part of the 2016/17 audit programme and this concluded that overall there is an adequate and effective system of governance, risk management and control. The Trust Board members concur with the findings of the Internal Auditors that the Trust Board is effective and is conducting its business in accordance with best practice.

Governance Framework

The Trust adopts an integrated approach to governance and risk management, enabling Directors to provide co-ordinated sources of information and assurance to the Trust Board on all aspects of governance including financial, organisational, clinical and social care. Committee structures have been developed to reflect this approach and to support the Board. These are the Governance Committee, Audit Committee, Remuneration Committee, Finance and Performance Committee and Endowment & Gifts Committee.

- Trust Board** has primary responsibility for effective governance and the Chairman must ensure that the Board keeps this at the centre of its work. The Chief Executive is accountable to Trust Board for the quality of care and services provided across the Trust. The Trust Board receives assurance on quality and safety of services, performance and finance from the assurance framework and reports from its supporting Committees. The Medical Director and Director of Social Care are the designated lead Directors accountable to Trust Board for Clinical and Social Care Governance arrangements respectively. In addition, the Executive Director of Nursing provides professional advice and assurance to Trust Board on all nursing matters. Trust Board met 11 times in the 2016/17 financial year and all meetings were quorate. Members’ attendance is formally recorded in the Trust Board minutes and the detail is given in the table below. Standing items on Trust Board agenda include Quality and Safety, Corporate Risk Register, Assurance Framework, Performance Management and Financial Performance. The Board assesses its performance using the Board Governance Self-Assessment Tool. The Board develops an action plan following its annual review and progress is monitored at Trust Board. The Board also commissions Internal Audit to review its effectiveness. An Internal Audit review was carried out in 2016/17 and the Head of Internal Audit provided satisfactory assurance on the Board’s arrangements.

| Name | Title | Meetings when in post | Meetings attended |
|--------------|--|-----------------------|-------------------|
| G Guckian | Chairman (Up to 31 July 2016) | 4 | 4 |
| E Way | Chief Executive | 11 | 10 |
| S Cummings | Non-Executive Director | 11 | 10 |
| S O’Kane | Non-Executive Director | 11 | 10 |
| N Birthistle | Non-Executive Director/Chairman (From 1 August 2016) | 11 | 10 |
| J Doherty | Non-Executive Director | 11 | 9 |

| | | | |
|--------------|---|----|----|
| J Campbell | Non-Executive Director | 11 | 11 |
| M Woods | Non-Executive Director | 11 | 8 |
| G McIlroy | Non-Executive Director | 11 | 9 |
| C O'Mullan | Non-Executive Director | 5 | 4 |
| G McKay | Director Of Acute Services | 11 | 9 |
| K Downey | Director of Women & Children's Services | 11 | 10 |
| A Corry-Finn | Director of Primary Care and Older People's Services | 11 | 9 |
| T Millar | Director of Adult Mental Health and Disability Services | 11 | 9 |
| D Hughes | Medical Director | 11 | 9 |
| T Molloy | Director of Performance & Service Improvement | 11 | 10 |
| A McConnell | Director of Human Resources | 11 | 9 |
| L Mitchell | Director of Finance & Contracting | 11 | 11 |
| A Moore | Director of Strategic Capital Development | 11 | 9 |

- **Audit Committee** - The Audit Committee is a formal Sub Committee of the Board comprised of 3 Non-Executive Directors, one of whom is the Chair. The role of the Audit Committee is set out in formal terms of reference and is to:
 - Oversee the maintenance of effective governance and internal financial control arrangements;
 - Ensure an effective Internal Audit function is in place;
 - Oversee the arrangements for the completion and external audit of the Trust's Annual Report and Accounts;
 - Oversee the adequacy of the Trust's arrangements for securing value for money.

The Committee fulfilled the requirements of its terms of reference during 2016/17.

The Trust's internal and external auditors as well as other appropriate Trust staff attend the Committee meetings on a regular basis. The Audit Committee follows the best practice guidance set out in the Audit Committee Handbook and assesses its performance by reviewing its compliance with this guidance on an annual basis. An action plan is compiled following the self-assessment exercise and progress in implementing the actions is monitored by the Committee. The Chairman of the Audit Committee briefs the Trust Board following each Audit Committee meeting and Trust Board receives an annual report on the performance of the Committee. The Committee met 4 times during 2016/17 and all meetings were quorate. Attendance was as follows:

| Name | Title | Meetings when in post | Meetings attended |
|----------------------------|-----------------------------------|------------------------------|--------------------------|
| N Birthistle | Non-Executive Director (Chair) | 1 | 1 |
| J Campbell | Non-Executive Director (Chair) | 4 | 4 |
| S O'Kane | Non-Executive Director | 1 | 1 |
| S Cummings | Non-Executive Director | 1 | 1 |
| J Doherty | Non-Executive Director | 3 | 1 |
| C O'Mullan | Non-Executive Director | 1 | 1 |
| E Way (in attendance) | Chief Executive | 4 | 1 |
| L Mitchell (in attendance) | Director of Finance & Contracting | 4 | 4 |

- Governance Committee** - In accordance with national best practice guidance, the Trust Board has developed an integrated approach to governance and risk management. This enables Directors to provide co-ordinated sources of information and assurance to Board members on all aspects of governance including financial, organisational, clinical and social care. Governance Committee membership includes all Trust Board members and it is chaired by the Trust's Chairman. The Committee meets quarterly and an attendance register is kept. The terms of reference of the Committee were last reviewed and approved by Governance Committee in March 2015 with a further review planned for June 2017. The Committee fulfilled the requirements of its terms of reference during 2016/17. The organisational reporting arrangements were amended and approved in March 2016 to include the merger of the Complaints Forum and the Patient/Client Experience Group. The newly formed group met for the first time in September 2016.

The Governance Committee met 4 times during 2016/17 and attendance by members was as follows:

| Name | Title | Meetings when in post | Meetings attended |
|--------------|--|------------------------------|--------------------------|
| G Guckian | Chairman (Up to 31 July 2016) | 1 | 1 |
| E Way | Chief Executive | 4 | 3 |
| S Cummings | Non-Executive Director | 4 | 4 |
| S O'Kane | Non-Executive Director | 4 | 3 |
| N Birthistle | Non-Executive Director/Chairman (From 1 August 2016) | 4 | 4 |

| | | | |
|--------------|---|---|---|
| J Doherty | Non-Executive Director | 4 | 4 |
| J Campbell | Non-Executive Director | 4 | 3 |
| M Woods | Non-Executive Director | 4 | 3 |
| G McIlroy | Non-Executive Director | 4 | 2 |
| C O'Mullan | Non-Executive Director | 2 | 1 |
| G McKay | Director Of Acute Services | 4 | 2 |
| K Downey | Director of Women & Children's Services | 4 | 3 |
| A Corry-Finn | Director of Primary Care and Older People's Services | 4 | 2 |
| T Millar | Director of Adult Mental Health and Disability Services | 4 | 3 |
| D Hughes | Medical Director | 4 | 2 |
| T Molloy | Director of Performance & Service Improvement | 4 | 2 |
| A McConnell | Director of Human Resources | 4 | 2 |
| L Mitchell | Director of Finance & Contracting | 4 | 2 |
| A Moore | Director of Strategic Capital Development | 4 | 3 |

The governance structures in place to support the Governance Committee are as follows:

- **Governance Committee Sub Committees** – There are two formal Sub Committees of Governance Committee. The Risk Management Committee, chaired by the Medical Director, and the Quality and Standards Committee chaired by the Executive Director of Social Work. These Committees provided a quarterly report to Governance Committee.
- **Chief Executive Healthcare Acquired Infection (HCAI) Accountability Forum** - The purpose of the Forum is to sustain focus on reducing healthcare associated infections and to analyse monitoring reports and infection control performance indicators in this area. The Forum is chaired by the Chief Executive and is attended by the relevant Trust Directors, Assistant Directors, Clinical Directors and a Non-Executive Director. Assurance is provided to Trust Board through a report from Governance Committee. The work of the Committee focussed on the reduction of the level of incidences of MRSA /MSSA and C-Difficile healthcare associated bacteraemia.
- **Directorate Governance Groups** - Individual Directors have a responsibility for governance arrangements within their respective

Directorates and they have well established Directorate Governance Groups. These met regularly during 2016/17 to progress the governance agenda and provide Directorate assurance. This enabled them to report to the Governance Committee against an agreed reporting template.

Remuneration Committee - This Committee meets to approve the performance objectives of the Chief Executive and all other Senior Executives and it also assesses their performance in line with established policies and circulars. It recommends to Trust Board pay awards and performance related pay where appropriate, in line with Circulars. It is chaired by the Chairman and includes a further 3 Non-Executive Directors. The Committee met twice during 2016/17 – 18 May 2016 and 2 March 2017 – both meetings were fully quorate. Details of members’ attendance are given in the table below. The Chairman brings the recommendations of the Remuneration Committee to Trust Board following each meeting and its recommendations are discussed under Confidential Items. The Committee therefore met the requirements of its terms of reference for 2016/17.

| Name | Title | Meetings when in post | Meetings attended |
|--------------|-------------------------------|------------------------------|--------------------------|
| G Guckian | Chairman (up to 31 July 2016) | 1 | 1 |
| N Birthistle | Chairman (from 1 August 2016) | 1 | 1 |
| E Way | Chief Executive | 2 | 2 |
| S Cummings | Non-Executive Director | 2 | 2 |
| S O’Kane | Non-Executive Director | 2 | 2 |
| M Woods | Non-Executive Director | 2 | 2 |
| A McConnell | Director of Human Resources | 2 | 2 |

- Finance and Performance Committee** – This Committee meets in advance of Trust Board to consider in detail the financial and performance information which is to be presented at the formal Board meeting. The Committee is comprised of 2 Non-Executive Directors, one of whom is the Chair and also the Directors of Finance and Performance & Service Improvement also attend. The Chair of the Committee is asked to comment at each Board meeting on any issues relating to the finance and performance reports which need to be highlighted. The Committee met 10 times during the year and on all but two occasions meetings were deemed quorate. The non- quorate meetings were due to the non- availability of Non-Executive Directors. In all other respects,

the Committee fulfilled the requirements of its terms of reference during the year.

| Name | Title | Meetings when in post | Meetings attended |
|-------------|---|------------------------------|--------------------------|
| S Cummings | Non-Executive Director (Chair) | 10 | 10 |
| G Mcllroy | Non-Executive Director | 10 | 8 |
| T Molloy | Director of Performance & Service Improvement | 10 | 8 |
| L Mitchell | Director of Finance & Contracting | 10 | 10 |

- Endowments and Gifts Committee** - The purpose of this Committee is to oversee and fulfil the responsibilities of the Board as Trustees of Endowments and Gifts funds. The Committee is made up of 2 Non-Executive Directors, one of whom is the Chair, and is supported by a number of Trust officers. The Committee met on 4 occasions during 2016/17 and was fully quorate. Details of members' attendance are set out in the table below. The Chairman of the Committee briefs the Trust Board following each meeting. The Committee therefore met the requirements of its terms of reference for 2016/17.

| Name | Title | Meetings when in post | Meetings attended |
|--------------|---|------------------------------|--------------------------|
| G Mcllroy | Non-Executive Director (Chair) | 4 | 3 |
| N Birthistle | Non-Executive Director | 2 | 2 |
| S Cummings | Non-Executive Director | 2 | 2 |
| T Millar | Director of Adult Mental Health & Disability Services | 4 | 4 |
| G McKay | Director Of Acute Services | 4 | 1 |
| A McConnell | Director of Human Resources | 4 | 3 |
| L Mitchell | Director of Finance & Contracting | 4 | 4 |

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.

In line with Department of Health requirements, the Trust produces an annual Trust Delivery Plan in response to the HSCB/PHA Commissioning Plan. The Trust Delivery Plan for 2016/17 was approved by Trust Board on 4th August 2016 and submitted to the HSCB in draft on 5th August 2016. Following comments from HSCB, a further draft was submitted on 16th September 2016. The Trust and HSCB have not reached an agreed position in relation to a balanced plan and therefore the Trust Delivery Plan has not been approved.

In addition, each Directorate in the Trust produces an annual Directorate Plan which is aligned to the Trust Delivery Plan.

Monitoring of the extent to which the Trust is meeting its obligations from the Trust Delivery Plan was carried out via internal Trust accountability meetings. Performance against the Trust Delivery Plan targets was also reviewed on a monthly basis by the Trust's Corporate Management Team and Trust Board. Performance is also regularly reviewed by the HSC Board and ultimately by the Accountability Review process established by the Department of Health.

Key exceptions against the Trust's Business Plan (Trust Delivery Plan 2016/17) are as follows:

- **From April 2015, 95% of patients attending any Type 1, 2 or 3 Emergency Department are either treated and discharged home, or admitted, within 4 hours of their arrival in the Department; and no patient attending any Emergency Department should wait longer than 12 hours.**

As at the end of March 2017, the Trust has ensured that 75% of patients attending our Emergency Departments were either treated and/or admitted or discharged home within 4 hours of arrival, (69% in Altnagelvin; 74% in South West Acute Hospital and 99.8% in Tyrone County Hospital). For the period until end March 2017, 499 patients waited in excess of 12 hours (304 in Altnagelvin and 195 in SWAH).

The increase in unscheduled care demand which occurred in Winter 2015/16 was sustained into 2016/17 and impacted on elective IP/DC performance, with unscheduled demand escalating into scheduled care capacity. Performance was particularly affected from November onward, and the outbreak of Norovirus in Altnagelvin during December 16 severely constrained bed capacity, requiring the Trust to instigate its business continuity plan at "level 3" on 14 December 2017. This resulted in the highest number of 12 hour breaches occurring across December and January. The Trust is now engaged with the North West Utilisation Management Team and is carrying out a hospital improvement event on 3rd, 4th and 5th May 2017 and any lessons learned from this event will be put in place in 2017/18.

- **By March 2017, 50% of patients should be waiting no longer than 9 weeks for an outpatient appointment and no patient waits longer than 52 weeks; 55% of patients should wait no longer than 13 weeks for inpatient / day case treatment and no patient waits longer than 52 weeks.**

In our Trust Delivery Plan, the Trust outlined that these standards were not achievable in view of capacity gaps across a range of specialties. The HSCB made non-recurring elective care funding available for additional waiting list activity in 2016/17 which enabled additional outpatients to be seen. However, due to the significant number of patients waiting for outpatient appointments this has had a limited impact on the overall position which as at end March 2017 was 36%.

- **From April 2016, 55% of patients should wait no longer than 13 weeks for inpatient/ daycase treatment and no patients waits longer than 52 weeks.**

In our Trust Delivery Plan, the Trust outlined that these standards were not achievable in view of capacity gaps across a range of specialties. The HSCB made non-recurring elective care funding available for additional waiting list activity in 2016/17 which enabled additional inpatients to be seen. This performance was further impacted as a result of the increased pressures on unscheduled care with a number of beds being closed across the winter period resulting in an increase in hospital cancellations.

- **From April 2016, no patient waits longer than 13 weeks from referral to commencement of AHP treatment**

The Trust continues to have a number of patients waiting longer than the maximum waiting time for AHP services. There have been significant workforce issues and recruitment difficulties which have resulted in significant backlogs particularly within Occupational Therapy; Speech and Language Therapy and Podiatry. The Trust is working to develop a service improvement plan for 2017/18 to address this backlog and improve performance.

- **From April 2015 no patient waits longer than; 13 weeks to access Psychological Therapies (any age)**

Within psychological therapies, the number of patients waiting longer than the maximum waiting time continues to increase. The Trust has a capacity gap within this service which in the past received non-recurring funding from HSCB. It is noted that the HSCB is conducting a demand/capacity analysis regionally and the Trust will participate in this work. In the interim, the Trust will be unable to meet the Ministerial target without additional funding being applied across the financial year.

Additional investment was received in 2016/17 – a number of permanent posts recruited to date with overtime being used in areas with recruitment challenges and maternity leave has impacted on the performance position which would explain the decline in monthly appointments. The service have experienced an 80% increase in referrals over the past 3 years with an average of 69 referrals per month in 2016/17 compared to approximately 40 per month in previous years. Work will be undertaken in 2017/18 in relation to referrals. Work is ongoing with the HSCB to develop a regional model to deliver autism services.

- **From April 2016, ensure that 90% of complex discharges from an acute hospital take place within 48 hours, with no complex discharge taking more than seven days; and all non-complex discharges from an acute hospital take place within six hours.**

The Trust is facing significant challenges to deliver on this target and has engaged in a wide ranging improvement programme to address the reasons for complex

discharge delays. Aspects of this work have required additional investment, in particular the potential additional measures to provide alternatives to hospital including step down and discharge to assess models which has been funded by the Trust non-recurringly. The Trust is also challenged by the increasing complexity in care planning and the availability of carers and domiciliary care in localities within the Trust's geography. While a number of actions are being taken forward, the Trust expects that it will not be able to improve performance sufficiently to meet the Ministerial standard in 2017/18.

Corporate Plan

The Trust developed in conjunction with key stakeholders a Corporate plan for the period 2017-2021 which was approved by the Department of Health.

Business Case Approval

The Trust also has a formal structure and processes in place for development and approval of business cases to support significant areas of expenditure.

Direct Award Contracts

The Trust has a Direct Awards Contracts (DAC) Register which is maintained by the Director of Finance's office. A total of 64 DACs were completed by the Trust in 2016/17 with a combined value of approximately £4.7m. COPE advice was obtained from BSO PALs in respect of 32 of these and from CPD in relation to 6. The remaining 26 DACs were approved locally by the Head of Pharmacy. 2 of the 64 DACs processed in 2016/17 required approval from the Permanent Secretary.

Publication returns have been completed throughout the year (to BSO PaLS) in respect of 18 DACs with a value in excess of £30,000 and returns to the Department of Health in relation to the WHSCT DAC activity were completed at both mid-year and year-end. The Trust's Audit Committee and Trust Procurement Board were routinely updated in relation to the Trust DAC Register.

Risk Management

The Trust's Risk Management Strategy was reviewed in March 2014 and was approved as a policy by Trust Board. A further review commenced in March 2017. The policy clarifies the leadership and accountability arrangements for ensuring that appropriate systems are in place throughout the organisation to manage and control risks relating to the achievement of Trust objectives. The policy clarifies individual staff responsibilities on reporting and managing risks.

Risks are identified at all levels of the organisation using a variety of means including the risk assessment process, incidents reports, serious adverse incident reviews, complaints, claims, inspections, audit, monitoring of performance and financial management systems, regulatory and legislative requirements. Individual Directorates / Wards / Departments / Specialties and Service Areas are required to identify and prioritise their risks. It is acknowledged within the policy that the range of risks to be identified will be broad and depends on the area or service to be assessed, the key objectives of the Directorate and the risks which can impact to prevent the objectives being met.

The Trust uses the DATIX risk management system to co-ordinate the risk register and assurance framework. Significant progress was made during the year to review and develop the DATIX Incident Reporting and Management module to ensure it is more user-friendly for staff. This is aimed at encouraging incident reporting and enhancing the ability to share learning and provide staff feed-back. To ensure that the DATIX system can achieve its full potential, work was completed to upgrade to the latest version. This includes many enhanced features (such as automatic feedback on learning), through working in partnership with DATIX and our Trust IT colleagues. Training has been arranged for staff to highlight system improvements and refresh current staff skills and a DATIX link has been added to the front screen of the intranet to allow easier access for staff.

The Risk Management Policy makes it clear in section 7.1 that consideration must also be given to risks which are managed from outside the Trust and are owned elsewhere (e.g. by the Department of Health, HSCB, Contractors or other public service/voluntary organisations) that may impact on objectives. External risks are identified from a range of stakeholders including other Trusts, GPs, Service Users, RQIA, Deanery visits and other professional bodies. Managers must ensure that appropriate governance and contractual arrangements are in place to reduce and monitor risks which are outside of the Trust's direct control.

Section 9 of the document has a statement on Risk Appetite and guidance for managers when considering action plans for new and emerging risk. Appendix 4 of the Policy is the Risk Register flowchart which provides guidance on how and when risks should be escalated to senior managers for their attention.

Risks are reviewed on regular basis (at least quarterly) to ensure that action plans remain effective and that where the level of risk is increasing, appropriate action is taken to reduce the level of risk and escalate the risk to a higher level within the Trust, as per the Trust escalation flowchart.

The management of the Corporate Risk Register has been enhanced through a review involving workshops with Corporate Management Team (CMT) and Governance Committee. A revised process was developed and approved which includes the reporting and review of performance on the management of Corporate Risks over time. The Corporate Risk Register is reviewed on a monthly basis by the CMT, which considers progress on existing risks and identifies new risks for inclusion on the Register and significant amendments. It is then reviewed quarterly by the Governance Committee for agreement and approval, and is shared at the next Trust Board meeting for information. Following this, it is posted on the Trust intranet for access by employees. Trust Board will also consider urgent amendments to the register for approval if required.

Directorate Risk Registers are a standing item on the agenda of all Directorate Governance meetings. Current risks are reviewed and new risks for inclusion on the Register are considered at these meetings. Directors are required to report on a quarterly basis to Governance Committee on significant risks within their areas of responsibility.

The Trust actively encourages the reporting of incidents and risks and staff have embraced the learning culture by participating in incident reviews which focus on the

lessons for improvement for the organisation as a whole. To support this process a learning template has been developed that requires Directorates to report the learning from serious incidents, claims and complaints. The Trust's Incident Reporting Policy has a clear policy statement which reminds staff, following completion of an incident investigation, that: *'Any learning points, safety improvements or actions taken as a result of incident investigation must be brought to the Directorate and Sub-Directorate Governance Group for discussion, review of patterns/trends and consideration for risk registers'*.

The Quality and Safety Team provides quarterly reports for Directorate Governance Groups. This includes information on SAs, incidents, complaints, litigation, health and safety, NICE guidance, RQIA reviews and other quality and safety indicators for discussion by the groups.

A Quality & Safety Corporate Dashboard, which includes trends in relation to incidents, claims and complaints, is also considered by the Governance Committee quarterly.

Information Governance / Records Management

The information held and used by the Trust can be divided into 2 broad categories: namely information retained within the Trust and information sent outside the organisation. The latter category of information is viewed as carrying an inherently higher level of risk and the Trust sustains a focus on this aspect to manage the key information risks.

As a result of 3 data breaches in 2014/15, the Trust was required to sign an Undertaking issued by the Information Commissioner's Office (ICO). In February 2016 the ICO issued a follow up report stating that it was satisfied with the steps the Trust had taken, requesting that the Trust should aim to have all members of staff, whose role involves the routine processing of personal data, appropriately trained as soon as possible. During 2016/17 a number of initiatives have taken place to progress this matter.

Data Protection' and 'Records Management' are included on the list of mandatory training for all Trust staff. It is the responsibility of all staff to ensure that they are appropriately trained in the handling of personal information. All new staff complete information governance training as part of their induction. Staff members who have undertaken this training on a previous occasion must continue to receive training every three years (in line with the Information Management Controls Assurance Standard).

Mandatory information governance training was placed on all Directorate plans for 2016/17. Completion rates for training are reported on a bi-monthly basis at the Information Governance Steering Group.

The Head of Records and Information Governance attended various Directorate meetings throughout the year to update and raise the profile of Data Protection and Records Management training within the Trust. This was followed up with a presentation to the Senior Leadership Forum in June 2016 on progress against the

ICO undertaking, information governance awareness and specifically information governance training. A further update on information governance training was presented to CMT in November 2016.

Following work with all of the other Trusts in N. Ireland, the Trust moved in April 2017 to a single information governance e-learning module to drive compliance and uptake in this area.

Current projections indicate that the Trust will have completed information governance training for approximately 52% of staff against a target of 100% over the 3 year period. The Trust has rolled out an e-Learning Information Governance module to all staff to assist in improving this position.

Serious Adverse Incidents (SAIs)

During the calendar year 2016, the Trust reported 62 SAIs to the Health and Social Board which was a decrease from 85 in the calendar year 2015. It is noted that there is no longer a requirement to report child deaths or falls resulting in fracture neck of femurs as SAIs.

The Trust accepts that its patients and clients have a right to expect openness in the delivery of their health and social care service. The Trust is committed to ensuring that it provides a respectful response to those individuals and their families who have been affected by a serious incident when in receipt of clinical or social care services. It is Trust Policy when an SAI has been reported for the lead officer to involve the patient/client/family at the earliest opportunity.

Trust managers have a responsibility to ensure that learning from SAIs occurring within their areas of responsibility is communicated and applied. To support this process the Trust has developed a 'learning template' which requires Directorates to report centrally the learning from SAIs, complaints and claims. The Trust has been working to reduce the number of outstanding SAI reports and has made significant progress in this regard although it continues to be a challenge for the Trust due to the clinical commitments of investigation team members. There is ongoing monitoring at a corporate level on progress of reports which have passed the submission deadline.

SAI reports are considered at Directorate Governance meetings and implementation of recommendations is monitored by the Governance Committee. Learning letters issued by the HSCB/PHA are recorded on a database and a lead officer is identified to co-ordinate implementation of any actions. The Trust provides assurance to the HSCB/PHA regarding implementation.

Due to changes in the requirement to report expected child deaths using the Regional Mortality & Morbidity Review System (RM&MRS), the Trust has, with the involvement of clinicians, developed a process to ensure compliance with the child death review and notification process.

To support the regional system roll out plan the Trust appointed a regional Morbidity & Mortality (M&M) Facilitator to help ensure the system is in place to appropriately record all deaths. This allows deaths to be reviewed by a Consultant in a timely manner and considered at a Mortality & Morbidity meeting to ensure learning is

captured and shared. Any relevant SAI reports will also be considered at M&M meetings.

Regional learning from SAIs, including Safety Quality Alerts issued from the HSCB and PHA, is disseminated and monitored by the Quality & Safety Team. The Trust continues to publish a quality and safety newsletter, 'Share to Learn', to highlight Trust wide learning. Recognising that there is a limit to the immediacy of written communication and to the volume of content, the Trust publishes a 'Lesson of the week'. This sits on the Trust Intranet server and opens as a default on all desktop computers within the Trust.

Public Stakeholder Involvement

The Western Trust monitored the implementation of actions within its Personal and Public Involvement (PPI) Strategy and Action Plan 2012 - 2015, reporting on this annually through the PPI Annual Progress Report. The Trust reviewed progress on the previous Plan (2012 – 2015) and developed a new PPI Action Plan for the period 2015 – 2017, which details how the Trust will comply with the five new Standards for PPI which were developed by the Public Health Agency (PHA).

The Trust has a Personal and Public Involvement Forum which comprises of Trust staff, voluntary and community and service user and carer representatives.

During March 2017, the Trust hosted its fourth 'Engage' event. The event, funded by the PHA, was an opportunity for the Trust to highlight PPI work, share learning and celebrate and showcase good practice in relation to PPI within the Trust. Service users, members of the public, community and voluntary representatives and Trust staff had the opportunity to speak informally to service users, clients and staff involved in the planning, development and delivery of Health and Social Care Services in the Trust and to learn of further opportunities for involvement. Post event evaluations have been extremely positive with regards to the engagement event.

The Trust is also supporting a series of recommendations arising from monitoring undertaken by the PHA during 2016 through the PPI Forum and Trust Governance arrangements.

The Trust continues to work with the PHA on the implementation of PPI Engage and Involve Training. An e-Learning module has already been made available to Trust staff.

Assurance

The Board Assurance Framework which was developed in accordance with the Department of Health guidance 'An Assurance Framework: a Practical Guide for Boards of Department of Health Arm's Length Bodies', is updated on a quarterly basis and submitted to Governance Committee for approval. In 2014 the Governance Committee agreed that the Risk Register and Assurance Framework should be produced as a combined document to facilitate scrutiny of assurances against corporate risks.

The Trust completes an annual Board Governance Self-Assessment Tool as a means of assessing its own effectiveness. The Board Governance Self-Assessment Tool is intended to help Arm's Length Bodies (ALBs) improve the effectiveness of their Board and provide Board members with assurance that it is conducting its business in accordance with best practice. The 2015/16 assessment resulted in an assurance mechanism relating to Trust Board as having a green rating. The assessment for 2016/17 is currently being completed.

In August/September 2016 Internal Audit carried out an audit of Board Effectiveness measuring it against the Board Governance Self-Assessment Tool. The Internal Audit report provided satisfactory assurance in relation to Board effectiveness and concluded that overall there is an adequate and effective system of governance, risk management and control. The Trust Board members concur with the findings of the Internal Auditors that the Trust Board is effective and is conducting its business in accordance with best practice.

A decision was taken during 2016/17 that Quality & Safety Annual Action Plans would continue to be developed and monitored at Governance Committee.

The Non-Executive Directors bring a broad range of experience and skills from their previous professional and business backgrounds. They have had significant exposure to the Trust's business and have a sound knowledge of the services the Trust provides. They draw on this experience and knowledge in assessing the reasonableness and integrity of the information that is shared with them as Board members. The Non-Executive members also rely on the results of independent reviews carried out such as those by Internal Audit and RQIA.

The Trust has a PFI contract relating to the South West Acute Hospital. An annual assurance report is produced which is presented routinely to Governance Committee.

A key source of assurance is the reports from Internal Audit and the audit plan is based on key risks and systems within the organisation. As part of its 2016/17 audit programme Internal Audit carried out a review of Risk Management and the Assurance Framework in the WHSCT and provided satisfactory assurance on the risk management systems in place. It was noted that overall there is an adequate and effective system of governance, risk management and control. No Priority 1 weaknesses were identified.

In addition to the Assurance Framework, the Governance Committee receives quarterly governance reports from Directors on a template agreed by Trust Board, which highlights key risks, performance and planned actions.

The Western Health and Social Care Trust assessed its compliance with the applicable Controls Assurance Standards, which were defined by Department of Health and against which a degree of progress was expected in 2016/17.

The Trust achieved the following levels of compliance for 2016/17:

| Standard | DHSSPS Expected Level of Compliance | Trust Level of Compliance | Audited by the Internal Audit Department |
|--|--|----------------------------------|---|
| Buildings, land, plant and non-medical equipment | 75%-99% (Substantive) | 89% (Substantive) | Not Verified |
| Decontamination of medical devices | 75%-99% (Substantive) | 97% (Substantive) | Not Verified |
| Emergency Planning | 75%-99% (Substantive) | 87% (Substantive) | Confirmed as Substantive |
| Environmental Cleanliness | 75%-99% (Substantive) | 90% (Substantive) | Not Verified |
| Environmental Management | 75%-99% (Substantive) | 94% (Substantive) | Not Verified |
| Financial Management (Core Standard) | 75%-99% (Substantive) | 88% (Substantive) | Confirmed as Substantive |
| Fire Safety | 75%-99% (Substantive) | 93% (Substantive) | Not Verified |
| Fleet and Transport Management | 75%-99% (Substantive) | 86% (Substantive) | Not Verified |
| Food Hygiene | 75%-99% (Substantive) | 93% (Substantive) | Not Verified |
| Governance (Core Standard) | 75%-99% (Substantive) | 91% (Substantive) | Confirmed as Substantive |
| Health & Safety | 75%-99% (Substantive) | 86% (Substantive) | Not Verified |
| Human Resources | 75%-99% (Substantive) | 88% (Substantive) | Confirmed as Substantive |
| Infection Control | 75%-99% (Substantive) | 95% (Substantive) | Not Verified |
| Information Communication Technology | 75% - 99% (Substantive) | 87% (Substantive) | Not Verified |
| Management of Purchasing and Supply | 75%-99% (Substantive) | 85% (Substantive) | Not Verified |
| Medical Devices and Equipment Management | 75%-99% (Substantive) | 87% (Substantive) | Not Verified |
| Medicines Management | 75%-99% (Substantive) | 81% (Substantive) | Not Verified |
| Information Management | 75%-99% (Substantive) | 81% (Substantive) | Not Verified |
| Research Governance | 75% -99% (Substantive) | 93% (Substantive) | Not Verified |
| Risk Management (Core Standard) | 75%-99% (Substantive) | 93% (Substantive) | Confirmed as Substantive |

| | | | |
|---------------------|--------------------------|----------------------|--------------|
| Security Management | 75%-99% (Substantive) | 91% (Substantive) | Not Verified |
| Waste Management | 75%-99% (Substantive) | 93% (Substantive) | Not Verified |

Sources of Independent Assurance

The Trust obtains independent assurance from the following sources:

Internal Audit

The Western 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 Trust is exposed. The annual internal audit plan is based on this analysis.

In 2016/17 Internal Audit reviewed the following systems:

| Reports Issued 2016/17 | Assurance Provided |
|--|---|
| Primary Care and Older People (PCOP) Directorate Finance Audit | Satisfactory - Day Care, Carers' Support, Flexi Support and Active Living Limited - Meals on Wheels and Telecare |
| Procurement and Contract Management – Fleet and Transport Contracts | Overall Satisfactory Limited – Management of Non-Emergency Transport |
| Payments to Staff | Limited |
| Non Pay Expenditure | Overall Satisfactory Limited – Linkload processes |
| Management of Petty Cash Floats | Satisfactory |
| Cash Management in Cash Offices | Satisfactory |
| General Ledger | Satisfactory |
| Patients' Private Property (Acute and Mental Health and Learning Disability) | Satisfactory |
| Client Monies & Cash and Valuables Handling | Satisfactory |

| | |
|--|---|
| in Social Services Setting | |
| Adult Supported Living Facilities | Satisfactory – Trust Facilities Limited – Independent Facilities |
| Management of Client Monies in Independent Sector Homes | Satisfactory |
| Stock Management – Pharmacy, Fuel and Oil and Gransha Catering Stock | Satisfactory |
| Management of Patient Flow – Emergency Departments | Limited |
| Information Governance – Records Management | Satisfactory – 9 out of 14 departments visited Limited – 5 out of 14 departments visited |
| Management of Complaints | Satisfactory |
| Management of Acute Falls | Limited |
| Management of Medical Staff | Limited |
| Absence Management | Limited |
| Risk Management | Satisfactory |
| Board Effectiveness | Satisfactory |
| IT – Third Party Access to Trust Systems / Data | Satisfactory |
| Fire Safety | Satisfactory |
| Year-End Follow Up | N/A |
| Inspire Wellbeing (Carecall) Contract | N/A |
| Recruitment Shared Services Go Live Readiness | N/A |
| Co-Operation and Working Together (CAWT) ICT | N/A |
| Controls Assurance Standards | N/A |

In her annual report, the Head of Internal Audit reported that the Western Health and Social Care Trust system of internal control was satisfactory.

However, weaknesses in control were identified in some areas which gave rise to a limited assurance rating being provided in a number of reports. The issues giving rise to these assurance assessments are set out below. Some enhancements to the internal control systems were recommended in Internal Audit Reports and these have been or are being implemented.

PCOP Directorate Finance Audit - Limited assurance was provided on the Meals on Wheels and Telecare elements of this audit. Internal Audit provided limited assurance on the basis that the systems in place for the collecting, receipting and reconciling of community meals income were not adequate nor was the system in place in relation to the verification of Telecare services delivered.

Procurement and Contract Management – Fleet and Transport Contracts

Payments to Staff - Limited assurance was provided on the Management of Non-Emergency Transport aspect of this audit. This rating was provided due to a lack of robust checking of non-emergency transport journeys to verify their validity both in terms of rates charged and mileage travelled.

Payments to Staff – Limited assurance was provided due to the number of Priority One issues identified including the management of overpayments, the lack of robust checks of staff-in-post reports, the approval process for salary timesheets, errors in the organisational management structure on HRPTS, gaps in control when a manager's approval authority rights are substituted to another officer in his/her absence, differences in the leaving dates recorded on HRPTS and pension applications and a lack of consistency in how payment in lieu of leave is processed.

Non Pay Expenditure - Limited assurance was provided on the element of this audit that looked at linkload processes for entering data into the financial systems. Limited assurance was provided on the basis that controls were insufficient to prevent incorrect amounts being processed.

Adult Supported Living Facilities – Limited assurance was provided around the controls in place within independent sector facilities. Limited assurance was provided on the basis that at all 4 independent sector facilities visited, staff were involved in handling service user's monies but service user bank accounts were not reconciled.

Management of Patient Flow – Emergency Departments - Limited assurance was provided due to the number of Priority One issues identified, including the absence of documented procedures, the continued increase in 4 hour breaches and the lack of management review in relation to the causes of such breaches.

Information Governance – Records Management - Internal Audit provided limited assurance on the controls over the management of medical records at 2 facilities and over personnel records at 3 facilities visited. Furthermore Internal Audit noted that the Trust was in the process of implementing recommendations from the Information Commissioners Office (ICO) report however prompt action was required in respect of the implementation of training and a revised ICT disposal policy.

Management of Acute Falls – Limited assurance was provided on the basis that a pre falls assessment was not fully completed in a significant number of instances in the sample tested, post falls reviews were not completed on a timely basis and , in relation to reporting falls to PHA, moderate falls which do not include a description of a specific injury within DATIX or where the Governance department deemed the falls not to be moderate based on the information that is recorded within DATIX, were not sent to PHA.

Management of Medical Staff - Limited assurance was provided on the basis that 88% of consultants did not have an agreed job plan for 2016/17, the content of job plans required further development and processes needed to be established to ensure that additional work carried out is not done at the expense of scheduled PAs, with evidence of checking of these prior to approval of claim forms.

Absence Management - Limited assurance was provided on the basis that working patterns had not been consistently adjusted by managers to reflect staff who have changeable or part time working arrangements, absence figures recorded on HRPTS for WHSCT nursing staff did not always correspond to source records and return to work interviews were not held in 42% of the sample reviewed.

A total of 44 Priority One findings (weaknesses that could have a significant impact on the system under review) were identified during 2016/17. The Audit Committee reviews management responses to Internal Audit recommendations and monitors progress in relation to implementation.

Internal Audit conducts formal follow-up reviews in respect of the implementation of the priority one and two internal audit recommendations agreed in the Internal Audit reports. The Internal Audit report issued in April 2017 showed that 76% of agreed actions have been fully implemented and a further 18% partially implemented. Of the recommendations that have not been fully implemented, 14% are outside the control of the Trust as they require action by one or more other HSC bodies.

The Trust takes seriously all issues highlighted by Internal Audit where less than satisfactory assurance is provided and actions will be taken during 2017/18 to address the deficiencies.

BSO Shared Services Audits

A number of audits (summarised below) were conducted in BSO Shared Services during 2016/17, as part of the BSO Internal Audit Plan. The recommendations in these shared services audit reports are the responsibility of BSO management to take forward and the reports were presented to BSO Governance and Audit Committees. Given that WHSCT is a customer of BSO Shared Services, the final reports were shared with the WHSCT and a summary of the reports was provided to the Trust's Audit Committee.

| Shared Service Audit | Assurance |
|---|--|
| Payroll Shared Service follow up review (as at August 2016) | Limited |
| Payroll Shared Services (as at March 2017) | Unacceptable – Payroll system and function stability Limited – Payroll processing |
| Pensions processing (including shared services and pensions services) | Limited – Payroll processing |
| Payments Shared Services | Satisfactory |
| Income Shared Services | Satisfactory |
| Business Services Team | Satisfactory |

The Internal Audit opinion in respect of Payroll Shared Services was split. A limited assurance was provided in relation to payroll processing in the Shared Service Centre (similar to all Payroll Shared Service Centre audits in recent years) and an unacceptable assurance was issued in respect of the payroll system and function stability. The Internal Auditors noted that of most concern was:

- the sustained system stability and employer superannuation contribution accuracy issues;
- Payroll Shared Services Centre staffing and also the continued lack of consistent management of overpayments.

Furthermore, significant issues noted by Internal Audit included the management of customer queries, maternity pay calculations, variance monitoring and also that 15 out of the 18 outstanding recommendations from previous audits had not been fully implemented.

The Internal Audit report did acknowledge progress made since the last audit in specific areas, (pension processing, authorisation frameworks and checking for duplicates in additional payments processing). The report also acknowledged that during the sample period, the Payroll Shared Services Centre was facing significant pressures arising out of system issues.

The audit of Pensions Processing (including shared services and pensions services) received a limited assurance due to the high volume of errors identified in information provided to HSC Pension Service by Payroll Shared Services, on which pension payments are based. Internal Audit also noted a lack of:

- documented procedures across the pension process,
- clarity over processes for managing knowledge
- procedures for promulgating advice and guidance

- a consistent approach to determining the total superannuable remuneration period.

External Audit

The Report to those Charged with Governance in relation to the audit of the 2015/16 accounts was issued to the Trust on 22 July 2016. There were 5 recommendations of which 2 were classified as Priority One, 1 as Priority Two and 2 as Priority Three. The Audit Committee oversees the implementation of these recommendations.

Business Services Organisation

The Chief Executive of the Business Services Organisation has provided assurance regarding a range of services provided to the Trust. As noted above, a split unacceptable / limited assurance was provided by Internal Audit to the BSO in relation to Payroll Shared Services and the assurance letter from BSO highlights that significant weaknesses in control were identified.

All BSO Internal Audit reports relating to Payroll, Payments and Income continue to be discussed at Audit Committee and are followed up through the regional Shared Services Assistant Director Forum which is attended by the Trust's Assistant Director of Finance.

The Trust is supported in its work to prevent, detect and investigate fraud by the BSO Counter Fraud Service (CFS). The CFS maintains a database on behalf of the Trust where all cases of fraud are recorded and monitored and CFS also provides a specialist fraud investigation service which supports the Trust in pursuing prosecution where fraud can be proven. In addition, CFS assists the Trust in compilation of the Annual Fraud Return to Department of Health.

Regulation and Quality Improvement Authority (RQIA)

Progress in implementing the recommendations made by RQIA following thematic reviews is monitored by the Quality and Standards Committee and reported to the Governance Committee.

The Trust received a number of Failure to Comply Notices in respect of one of the Trust's Children's Homes. This was in relation to procedural matters and has been addressed by the Trust with RQIA. The Trust is now compliant.

Fire Enforcement

The Trust has not received any Fire Enforcement Notices during 2016/17.

Other Assurance Sources

The Trust also receives independent assurance from the following additional sources:-

- 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;

- Health & Safety Executive for Northern Ireland – on the extent to which the Trust is compliant with health and safety standards and legislation;
- Northern Ireland Fire & Rescue Service – on the extent to which the arrangements in place in the Trust’s facilities comply with applicable fire regulations;
- Medicines & Healthcare Regulatory Authority – on the systems and processes in place to ensure standards are maintained in the storage and use of medicines and to monitor compliance of the systems for quality management and haemovigilance within the Blood Bank;
- Clinical Pathology Accreditation (UK) Limited – on the extent to which systems within the Laboratory meet nationally agreed standards;
- ARSAC (Nuclear Medicine Licences) -these licences are held by the Radiation Protection Supervisor for Nuclear medicine. The licences are valid for five years from the date of issue or earlier in the event that the scope of practice changes and are renewed annually and are subject to external inspection by DHSSPS;
- HSDU Surveillance Assessment Reports – Independent assessment of the quality of service provided by HSDU;
- General Medical Council – in relation to appraisal and revalidation. GMC has accepted all the revalidation recommendations made by the responsible officer of the Trust which is the Medical Director. The Trust has been commended on the introduction of an electronic appraisal system which is currently being adopted regionally. The GMC meets the Medical Director on a quarterly basis to discuss issues of professional concern.

Review of the 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 Western Health and Social Care Trust who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their Report to those Charged with Governance 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 Board, the Audit Committee and the Governance Committee and a plan to address weaknesses and ensure continuous improvement to the system is in place.

Throughout the year the Board of the Western Health and Social Care Trust has been briefed on control issues by the Chairs of the Audit Committee and Governance Committee. Within the context of the Audit Committee the work of the Internal Audit and External Audit functions was fundamental to providing assurance on the on-going effectiveness of the system of internal financial control. In addition, the controls assurance standards and the annual self-assessment against the standards provided an important assurance to the Governance Committee.

Internal Governance Divergences

Significant Internal Control Issues – update on previously reported issues that are now closed

Domiciliary Care Re-tendering

The Trust concluded its independent sector procurement process for domiciliary care provision in September 2016, awarding 27 contracts to independent sector providers in the Western Trust area.

The entire contract ranges in value from £79 million to £97 million over a potential 5 year contract life [3 years contract with provision for two 12-month extensions]. The Enniskillen and Limavady localities moved to the new contractual arrangements on 1 March 2017. An implementation team is currently working on the transition of the Waterside and Omagh localities to the new contractual arrangements, with a planned completion date of 1 July 2017. It is estimated that the remaining geographical areas will transition by 31 December 2017.

Historical Institutional Abuse Inquiry

The Trust played a key role in supporting the Historical Institutional Abuse Inquiry and co-operated fully with all relevant partners in relation to the Inquiry. The Inquiry has completed its work and a report has been issued to all relevant stakeholders.

Child Sexual Exploitation

The WHSCT continues to work with the Department, HSCB, other Trusts and key stakeholders following through with recommendations from the Marshall Report and Thematic Review. The new CSE assessment tool, implemented in June 2016, has enabled more focused, quality assessment and action planning on CSE related issues. The CSE Lead, co-located with designated officers for CSE in the PSNI, continue to support and guide staff in safeguarding young people deemed to be at risk of CSE, and to disrupt individuals, places and activities of concern, which may also present a wider risk to other young people.

Training with regard to CSE continues to be available to Trust staff and this has been extended to key agencies working directly with young people. There was a regional CSE Awareness Week at the beginning of February 2017. The WHSCT undertook a public awareness campaign within its area, utilising social and local media, including newspaper and radio, to raise the profile of this issue to as wide an audience as possible.

Open Episodes on the Patient Administration System

The Trust completed a validation exercise on the high number of outpatient episodes listed as “open” on the Patient Administration System (PAS). Clinical assessment of the validation patients has been completed. Within the validation group no material risks have been found. A small number of patients were brought back for routine review and no further risks have been identified. Changes to Trust systems and processes to prevent a reoccurrence, including the need to modify duties and introduce additional data quality checks for all open episodes have been agreed and are currently being implemented across all specialties.

Oral Maxillofacial Services (OMFS)

Two Speciality Doctors have been appointed and, following a period of training and assessment, are now contributing to the overall service delivery model. A new Consultant was appointed with effect from 1 August 2016. There have been no Serious Adverse Incidents in this area during 2016/17.

Patient Discharges

The Trust became aware, through GP alert, that some patients may have been discharged from outpatient review waiting lists by a general manager (who is a nurse by profession) out-with the Trust's normal processes. The patients were for OMFS and ENT review. A desktop review was undertaken by Consultant Medical staff who determined that 26 OMFS and 49 ENT patients required a routine review outpatient appointment. All of the OMFS and ENT patients have since attended for review and none were deemed to have suffered any adverse clinical outcome. This resulted in a disciplinary process which has now been completed.

Learning Disabled Clients

The Trust continues to work with NI Housing Executive to develop a resettlement strategy for two individuals who were treated by the Trust under a Supervision and Treatment Order between June 2010 and June 2012. No firm plans have been presented by either the PSNI or the Housing Executive to the Trust. This situation continues and the cases are being managed and reviewed via a multiagency approach. It is anticipated that this will be a long term arrangement and any change in the circumstances will be advised to the Department of Health.

Resettlement of patients with a learning disability and those with a mental illness

In relation to learning disability, all planned resettlements have now taken place. This completes the resettlement of the long-stay population in the Western Trust for this client group. This has been a tremendous achievement for all involved and has transformed the lives of both service users and their families.

Within Mental Health Services, the Trust has identified a small number of patients who currently are required to remain in hospital due to their on-going treatment and clinical conditions, some of whom are detained under the Mental Health Order. Two new developments, Holly Lane and Rathview, will complete the long stay resettlement for mental health users in the Western Trust.

Significant Internal Control Issues – update on previously reported issues that are not yet closed

Child Care Services

As in previous years the demands on Child Care services continue to rise in relation to Looked-After Children (LAC) Services, particularly in relation to kinship placements. This increase places significant pressure on the entire system with substantial financial implications. The challenges in addressing the demand and capacity issues in relation to the Trust's Child Care Services are closely monitored within the Trust and by the HSC Board. The Trust has established a Child Care Reform Board to lead on Reform and Service Improvement to best support increased LAC numbers. A

Head of Service for Family Support will now see a renewed focus on early help to support families on the edge of care.

Medical Staffing

The Western HSCT continues to be over-reliant on Medical locums to fill gaps in consultant posts, staff grade posts and training grade posts. Currently, the Trust has 115.86 wte vacancies which are being filled with 61.4wte agency locums and 34.5 wte NHS Trust locums. The remaining deficit is filled by NHS consultants doing additional work and occasional ad hoc locums. The consultant grade has a 21% vacancy rate while staff grade posts have a vacancy rate of 43%. Training grade posts in the Trust have a vacancy rate of 16%. Vacancy rates at all grades are proportionately higher in the South West Acute Hospital (SWAH) than in Altnagelvin.

The Trust has undertaken a successful International recruitment programme which to date has attracted 35 doctors, with the majority being placed in the SWAH to address their more acute recruitment issues. Many are still on an initial first year locum contract but it is hoped that the majority will progress to permanent employment.

The Trust is expecting an expansion of the FY2 posts by 15. The 2017/18 allocation for GP trainees shows a decrease in allocation of numbers to the Trust from the usual 20 to 9. This is despite an overall rise in GP posts in Northern Ireland.

The clinical and financial burden of locum posts in the Western Trust continues to rise. The cost of medical locums for year 2016/17 was £17 million.

Business Services Transformation Programme (BSTP)

The FPL system is now embedded in the Trust and this element of the BSTP project is at the benefits realisation phase. The Trust is working with the Business Services Organisation (BSO) and the system supplier to implement a mid-contract system upgrade which is scheduled to go live in June 2017.

Work continues to achieve stability of the HRPTS system. The Trust experienced a number of significant system performance and technical issues during the year, including the under-calculation of employer's superannuation contributions for staff who were absent on sick or maternity leave. It is still not possible for the Trust to implement management of annual leave on HRPTS as this requires all Trusts to implement at the same time and a number of other Trusts are not yet in a position to do so.

Deployment of Employee Self Service and Manager Self Service has been completed to the extent possible but there are some areas of the Trust where this is currently not possible due to network connectivity issues. Approximately 8,000 Trust staff can now access HRPTS. Work is underway to make available during 2017/18 the SAP Fiori application which will enable a level of Employee Self Service functionality from mobile phones or tablets for those staff who cannot otherwise access the system.

Accounts receivable and accounts payable processes have remained stable during the year following the transfer of these functions from the Trust to the BSO Shared Services Centres. Significant efforts continue in an attempt to secure stability of the

Payroll process following transfer of this function to the BSO and these efforts have been hampered by the HRPTS system problems referred to above. In addition, the Trust has been working with the BSO to identify and pursue payroll overpayments to staff. Additional unfunded Human Resources Department and Finance Department resources continue to be deployed to ensure business continuity. The transfer of the Trust's Recruitment function to the BSO is scheduled to take place on a phased basis from May to October 2017.

Full realisation of the benefits of new systems and the shared services delivery model are not expected to be achieved before the end of the 2017/18 year.

Trust Breakeven Position

The Trust has been working closely with the Department of Health and HSC Board throughout 2016/17 and highlighted a number of financial pressures such as increasing costs related to medical locums and looked after children. In recognition of these exceptional pressures, an additional allocation was made which enabled the Trust to report a break-even position for the year.

The Trust is currently working with the Department of Health and HSC Board to finalise the financial plan for 2017/18.

Unregulated Placements for Young People

Demand continues to stretch capacity in respect of the assessment and approval of kinship fostercare placements for relatives' children. The Trust has taken part in a Care Proceedings Pilot which covered the timeline Jan 2016 to Dec 2016. The pilot focused on stage 1 assessment as opposed to the previous model of a stage 1 and stage 2 assessment. The Trust has reported to the Department of Health and HSCB in relation to key issues for consideration as part of the HSCB review of the kinship fostercare standards. While demand exceeds capacity, cases are allocated in the knowledge that the time frame for unregulated placements may not be met. By and large the number of unregulated placements is relatively low given the context of demand.

Elective Care and Increased Waiting Times

During 2016/17, the Trust continued to deliver a strong performance within elective care, particularly in areas such as fractures and diagnostics. The Trust continues its excellent performance in Cancer Services.

The Trust performance against delivery of its commissioned volumes for both inpatient/day case and new outpatients has deteriorated since the end of March 2016 due to a number of factors. These include medical workforce challenges i.e. consultant vacancies in areas such as gastroenterology, urology, endocrinology, cardiology and oral surgery; nursing workforce challenges i.e. shortage of theatre nursing staff which has resulted in a number of theatre sessions being cancelled during the year. There was an increase in unscheduled admissions over the winter period resulting in the Trust moving into business continuity measures particularly in Altnagelvin Hospital which resulted in the Trust having to prioritise red flag and urgent patients over routine elective patients, and impacts elective performance at times of increased pressure from unscheduled demand. This period of business continuity measures operated from mid- December 2016 to early March 2017.

The Trust continues to monitor elective performance through robust performance management arrangements, but has had reduced flexibility to address performance shortfalls which were caused by gaps in workforce (e.g. recruitment delays or sickness absence), due to the requirement to deliver a considerable financial in-year contingency plan for Acute Services, although modest in-year funding has been applied to areas which will have greatest impact on performance.

As a result of the above, the Trust has seen elective OP and IP/DC waiting times increase during 2016/17.

The Trust is taking steps to improve performance in this area, but the impact of financial constraints during the year is a continued risk. The Trust continues to prioritise patients who are at highest clinical risk and for this reason the bulk of patients waiting over the Ministerial standard are routine patients.

Compliance with Department of Health Prompt Payment Target

The Department of Health has set Trusts a target of making payment to at least 95% all non-HSC trade creditors within 30 days of receipt of a valid invoice or delivery of goods/services, whichever is the later. The Trust's level of compliance with this target was 92.9% by number and 93.8% by value for 2016/17. The Trust will continue to work closely with the BSO shared services centre provider to further improve the Trust's level of compliance and meet the Department of Health target.

Potential closure of Private Nursing Homes

The uncertainty of the independent nursing and residential home sector remains a concern for the Trust, with one nursing home closing in 2016 albeit all residents were successfully transferred to alternative accommodation.

The Trust has held discussions with a number of nursing home providers during the year to discuss its requirements for accommodation-based care, particularly the shortage of nursing home beds for older people with dementia or other mental illness. A number of homes in the northern sector of the Trust area are now planning to expand, with additional capacity to be available during 2017/18.

Elective Care Performance

Information Breaches

For the period 1 April 2016 to 31 March 2017 the Western Trust had no information breaches to report to the Information Commissioner's Office (ICO). As a result of 3 data breaches in 2014/15, the Trust was required to sign an Undertaking issued by the ICO. In February 2016 the ICO issued a follow up report stating that it was satisfied with the steps the Trust had taken, requesting that the Trust should aim to have all members of staff, whose role involves the routine processing of personal data, appropriately trained as soon as possible. During 2016/17, a number of initiatives have taken place to progress this matter including the promotion to staff of an e-Learning Information Governance module.

Emergency Department (ED), South West Acute Hospital (SWAH)

At a meeting on 13 January 2016 with relevant Trust Directors, LCG, PHA and HSCB, agreement was secured to recruit 2 additional Emergency Department Consultants

and to recruit an additional 10 speciality doctors, bringing the medical workforce to 5 Consultants, 1 Associate Specialist and 16 Speciality Doctors. The Trust has successfully appointed one consultant and a further consultant post is progressing to interview stage. The Trust has been unable to recruit to the Specialty Doctor level and continues to cover this rota with high cost agency locum doctors.

With regard to the nursing workforce there has been a successful recruitment drive which has resulted in an increase of 11.5 wte within the ED SWAH. There is still work ongoing regionally with regard to full implementation of phase 2 normative staffing.

The Trust incurred additional expenditure of £1.258m in-year which was covered by the June Monitoring monies on a non-recurrent basis. The Trust has no financial cover for this issue entering 2017/18.

Emergency Department (ED), Altnagelvin Hospital

The Trust has had long running discussions with the HSCB in relation to the capacity of the ED Department at Altnagelvin Hospital and the Trust alerted the HSCB to its concerns about safety during 2015/16. Given that the demand has continued on the Altnagelvin site, the Trust took the decision to enhance nursing in the ED by creating Band 7 cover 24 hours per day, 7 days per week, and by enhancing the “Medical Take” with additional medical staff and extending the hours of both medical and surgical assessment. These measures have an in-year cost to the Trust of £1.089m. The Trust continues to have discussions with the HSC Board/PHA and has applied Monitoring monies to cover the cost non-recurring in year. The Trust has no financial cover for this issue entering 2017/18.

The Trust has recruited 1 additional consultant to the Altnagelvin Emergency Department, enhanced the specialty doctor rota (4.0) and enhanced the Medical Take rota (2.0). In addition 5.0 wte band 7 senior nurses have been recruited alongside 1.7 wte Band 6 nurses.

Failure to Comply Notice

The Trust is continuing with its service reform plan to redesign services to meet the changing needs of children with complex needs compounded by a disability. Placement reform proposals are being proactively explored in terms of a menu of services that includes residential care, specialist fostering placements, host care and timely supports through a community development ethos. This work is ongoing and progress reports are submitted to the Trust’s CMT on a regular basis. The immediate issues in respect of return to compliance from a Failure to Comply Notification in respect of breach of the 90 day rule have been achieved.

A Children’s Care Reform Board has been established to take forward the wider programme of service reform. This will occur incrementally over the next 18 months. The plan will be subject to the availability of capital funding for the reconfiguration of the Residential component.

Adult Learning Disability Services - Under-investment

Over the past couple of years the extent of a deficit in investment in adult learning disability services in the Western Trust has been identified by both RQIA and the Health and Social Care Board (HSCB).

Whilst it has been confirmed that the Western LCG receives its overall capitation share of funding, the Adult Learning Disability Programme of Care has an under-investment quantified in the region of about £8m. Since this was confirmed, the Western Trust has worked with the commissioner of services at the HSCB to address this issue. In order to redress the imbalance, the Trust allocated an additional £350k to Adult Learning Disability Services in 2015/16 and a further £466K in 2016/17. The Trust is pleased that the HSCB confirmed an additional investment of £2.3 million in 2016/17. This is a total of £3m contribution towards the under investment position. The Trust is committed to addressing the under investment and plans to work in partnership, through facilitation, with families, carers and advocate groups in a co-production approach to develop plans to address the remaining funding gap of £5m and to ensure ongoing involvement in service planning and delivery. It is anticipated that an investigative process will begin when a new Minister is appointed.

Locum Expenditure – Off Contract

Due to the difficulties the Trust continues to experience in relation to medical staff, it is necessary from time to time to go off contract to secure medical staff from an agency. The Trust has also experienced similar difficulties this year in relation to recruiting nurses and has had to, on occasions, go off contract to book agency nurses where, to do otherwise, would compromise patient safety.

Significant Internal Control Issues arising during 2016/17:

Gaps in theatre nursing rota

In the summer of 2016, the Trust experienced a 17.5 wte gap in the theatre nursing rota in its surgery and anaesthetics division on the Altnagelvin Hospital site. Combined with normal summer leave, this resulted in the Trust having to cancel over 100 core elective theatre sessions. The Trust proceeded to recruit a cohort of newly qualified nursing staff to help address the issue. However, due to the fact that their registrations would not be confirmed until November, the issue was not resolved until December 2016. The Trust issued an early alert on this matter on 15 July 2016. All theatre vacancies have now been recruited to and a waiting list specifically for theatre nurses has been put in place.

Risk around sterility of syringes

On 8 September 2016, the Trust received an Urgent Field Safety Notice from its supplier of sterile syringes. The notice advised of a compromise in the integrity of the product packaging that produced a potential risk to the sterility of the syringes. The product manufacturer advised the Trust that the associated risk was low/remote as the syringes are capped and noted that this might have been an issue for 3 years. The Trust has only been using this product for approximately one year. The Trust uses the syringes to make-up sterile injections in the licensed Pharmacy Aseptic Suite at Altnagelvin Hospital. The Trust has recalled all products made with these syringes and is re-making them using an alternative syringe. Two patients were subsequently contacted at home and advised not to use their syringes due to a potential problem with one of the constituents. Four patients in the Sperrin Ward also had their chemotherapy returned to Pharmacy and remade.

Consultant Microbiologist advice was sought and the Trust is reviewing whether there were any untoward incidents. The Trust is unaware of any related incidents at this time. The Trust has also contacted an external company which supplies the Trust with ready-made drugs in BD syringes to check whether it used the product in question and have been given written assurance that it did not.

Domiciliary Care Services

As part of a regional piece of work on behalf of all HSC Trusts, the BSO Counter Fraud Services conducted a review of payments made to domiciliary care agencies by the Trust over the period April 2012 – March 2014. The review compared the actual hours paid by a variety of independent sector providers (ISPs) to their workforce against the actual hours paid by Trusts to those agencies. Variations have been identified and the Trust will be conducting further investigation of the findings.

The review identified a range of issues and the Department of Health has established an Oversight Scrutiny Committee to take these issues forward. The Trust will actively participate in this work and progress agreed actions as required.

Restriction of Neurology Service

In September 2016, one of the visiting Neurologists from another Trust has withdrawn from service provision for the Western Trust. This has caused increased anxiety to those patients on the review list to be seen by this specialist. Senior management and the Medical Director are in negotiation with the other Trust to establish a means of resuming a neurology outreach service for these patients. Some of these patients have been referred as urgent new referrals to other neurologists within the Western Trust.

Business Continuity Level 3

In December 2016, the Trust invoked its Business Continuity Plan as the demand for admissions exceeded bed capacity. Despite ongoing focus on early discharge planning and discharge before 1pm, the availability of beds on wards across the service resulted in beds escalation as well as cancellation of routine and non-urgent procedures. Medical outliers resulted in a lack of surgical beds. Medical locum staff were employed over a number of weekends whilst the Business Continuity Plan was invoked to review and plan discharges to enable throughput.

Social Care Procurement

By virtue of the introduction of the Public Contract Regulations 2015, social care procurement for the first time became subject to the same procurement regulations as other goods and services. The Trust in conjunction with all other HSC bodies is working to put arrangements in place to ensure compliance with the new regulations. In order to minimise the risk of non-compliance, all HSC bodies are extending Centre of Procurement Expertise cover for social and healthcare services in the Light touch regime. This is being taken forward via a formally constituted project, reporting to Regional Procurement Board.

Leases

The Department of Finance wrote to the Department of Health (DoH) on 4 May 2017 to indicate that retrospective approval of health leases business cases will not be awarded. The impact of this decision on the Western trust is set out below.

All accommodation leases operated by the Trust have approved business cases and were let in accordance with extant Departmental Guidance at time of award. At present, the Trust has a number of leases that have recently reached their renewal date which the Trust has temporarily extended as outlined hereunder. The financial quantum is approximately £389k p.a. The position regarding all leases including those being temporarily extended is reported in the Trust's Property Asset Management Plan which is submitted to Trust Board and DoH for approval annually.

The reason for short term temporary lease extensions fall within the following categories:-

Estate Rationalisation

Termination of lease and move to Trust property which awaits outcome of Trust accommodation review and the approval of relevant business cases.

Renewal / Continuation of Lease

Strategic Outline Cases have been completed and submitted to the DoH for consideration and decisions are awaited.

Pending Outcome of Older People's Review

The review paper anticipates the termination of a number of leases. However this is with the DoH awaiting Ministerial direction.

Financial Outlook

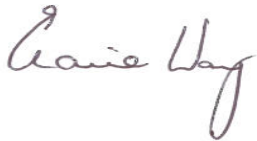
The outlook for 2017-18 is increasingly constrained, particularly in respect of resource funding. In a statement to the House of Commons on 24 April 2017 the Secretary of State for Northern Ireland outlined an indicative Budget position for NI departments. This position was based on the advice of the Head of the NI Civil Service (NICS) in conjunction with the NICS Board. The purpose of this statement was to provide clarity to departments as to the basis for departmental allocations in the absence of an Executive, so that Permanent Secretaries can plan and prepare to take more detailed decisions in that light. The departmental allocations set out by the Secretary of State provide the basis on which departments are now planning for 2017-18. However, the Secretary of State was clear that the indicative budget position did not constrain the ability of an incoming Executive to adjust its priorities during the year. He also advised that some £42 million Resource DEL and £7 million Capital DEL was left unallocated in order to maintain flexibility for a new Executive to allocate resources to meet further priorities as they deem appropriate. Therefore, while there is the potential for an incoming Executive to adjust these plans and also to allocate the unallocated resources, individual departments cannot anticipate any additional funding at this stage until such decisions are made.

Across the HSC sector it is expected that the significant financial challenges faced will intensify and extensive budget planning work to support the 2017-18 financial plan is ongoing between the Western Trust and the Department of Health (DOH). However, as with other financial years the Western Trust remains committed to achieving financial break-even.

Conclusion

The Western Health and 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.

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 Western Health and Social Care Trust has operated a sound system of internal governance during the period 1 April 2016 to 31 March 2017.



08/06/2017

Elaine Way
Chief Executive & Accounting Officer

Date

2.2 Remuneration and Staff Report

2.2.1 Remuneration Report

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

The remuneration and other terms and conditions of Senior Executives are determined by the Department of Health and implemented through the Remuneration and Terms of Service Committee. Its membership includes:

- Mr Niall Birthistle, Chairman
- Mrs Joan Doherty, Non Executive Director
- Mrs Sally O’Kane, Non Executive Director *
- Mrs Stella Cummings, Non Executive Director *

The recommendations of the Remuneration and Terms of Service Committee are ratified by a meeting of all the Non Executive Directors. The Terms of Reference of the Committee are based on Circular HSS (PDD) 8/94 Section B.

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

Pay progression is determined by an annual assessment of performance by the Remuneration Committee advised by the Chief Executive for Senior Executives and by the Chairman for the Chief Executive. The performance management system is based on organisational and personal objectives.

The contracts for Senior Executives are permanent and provide for three months’ notice. There is no provision for termination payments other than the normal statutory entitlements and terms and conditions requirements.

The Remuneration Committee meets to assess the performance of Senior Executives. Its recommendations on performance awards are made to a meeting of Trust Board for approval. Senior Executives absent themselves for this item on the Trust Board agenda.

* It is recognised that members of the Remuneration and Terms of Service Committee should not sit on the Audit Committee. However, due to the release of 3 Non-Executive Directors earlier in the year the Trust had no alternative but to place these two Non-Executive Directors on the Audit Committee.

Senior Management Remuneration (Audited)

| Name | Salary | Bonus / Performance Pay | Benefits in Kind (rounded to nearest £100) | Pension Benefits | TOTAL | Salary | Bonus / Performance Pay | Benefits in Kind (rounded to nearest £100) | Pension Benefits | TOTAL | Real increase in pension and related lump sum at age 60 | Total accrued pension at age 60 and related lump sum | CETV at 31 st March 2015 | CETV at 31 st March 2016 | Real increase in CETV |
|--|------------------|-------------------------|--|------------------|------------------|------------------|-------------------------|--|------------------|------------------|---|--|-------------------------------------|-------------------------------------|-----------------------|
| | 2016/17 £'000 | 2016/17 £'000 | 2016/17 £ | 2016/17 £'000 | 2016/17 £'000 | 2015/16 £'000 | 2015/16 £'000 | 2015/16 £ | 2015/16 £'000 | 2015/16 £'000 | 2016/17 £'000 | 2016/17 £'000 | £'000 | £'000 | £'000 |
| Non-Executive Directors | | | | | | | | | | | | | | | |
| Mr G Guckian (stood down 31 July 2016) | 9-10 | 0 | 0 | 0 | 9-10 | 25-30 | 0 | 0 | 0 | 25-30 | 0 | 0 | 0 | 0 | 0 |
| Mr Niall Birthistle (Chairman from 1 Aug 2016) | 15-20 | 0 | 0 | 0 | 15-20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mr Niall Birthistle (Non executive Director to 31 July 2016) | 0-5 | 0 | 0 | 0 | 0-5 | 5-10 | 0 | 0 | 0 | 5-10 | 0 | 0 | 0 | 0 | 0 |
| Mrs J Doherty | 5-10 | 0 | 0 | 0 | 5-10 | 5-10 | 0 | 0 | 0 | 5-10 | 0 | 0 | 0 | 0 | 0 |
| Mrs S Cummings | 5-10 | 0 | 0 | 0 | 5-10 | 5-10 | 0 | 0 | 0 | 5-10 | 0 | 0 | 0 | 0 | 0 |
| Mrs S O'Kane | 5-10 | 0 | 0 | 0 | 5-10 | 5-10 | 0 | 0 | 0 | 5-10 | 0 | 0 | 0 | 0 | 0 |
| Mr C Mulgrew (stood down 31 July 2015) | 0 | 0 | 0 | 0 | 0 | 0-5 | 0 | 0 | 0 | 0-5 | 0 | 0 | 0 | 0 | 0 |
| Mr B McCarthy (stood down 31 July 2015) | 0 | 0 | 0 | 0 | 0 | 0-5 | 0 | 0 | 0 | 0-5 | 0 | 0 | 0 | 0 | 0 |
| Mrs B Stuart (stood down 31 July 2015) | 0 | 0 | 0 | 0 | 0 | 0-5 | 0 | 0 | 0 | 0-5 | 0 | 0 | 0 | 0 | 0 |
| Ms Mary Woods (from 1 October 2015) | 5-10 | 0 | 0 | 0 | 5-10 | 0-5 | 0 | 0 | 0 | 0-5 | 0 | 0 | 0 | 0 | 0 |
| Mr Joe Campbell (from 1 October 2015) | 5-10 | 0 | 0 | 0 | 5-10 | 0-5 | 0 | 0 | 0 | 0-5 | 0 | 0 | 0 | 0 | 0 |
| Dr George McLroy (from 7 December 2015) | 5-10 | 0 | 0 | 0 | 5-10 | 0-5 | 0 | 0 | 0 | 0-5 | 0 | 0 | 0 | 0 | 0 |
| Dr Catherine O'Mullan (from 1 October 2016) | 0-5 | 0 | 0 | 0 | 0-5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Executive Directors | | Salary | Bonus / Performance Pay | Benefits in Kind (rounded to nearest £100) | Pension Benefits | TOTAL | Salary **Restated | Bonus / Performance Pay | Benefits in Kind (rounded to nearest £100) | Pension Benefits | TOTAL | Real increase in pension and related lump sum at age 60 | Total accrued pension at age 60 and related lump sum | CETV at 31 st March 2017 | CETV at 31 st March 2016 **Restated | Real increase in CETV |
|--|---|---------------|-------------------------|--|------------------|---------------|-------------------|-------------------------|--|------------------|---------------|---|--|-------------------------------------|--|-----------------------|
| | | 2016/17 £'000 | 2016/17 £'000 | 2016/17 £ | 2016/17 £'000 | 2016/17 £'000 | 2015/16 £'000 | 2015/16 £'000 | 2015/16 £ | 2015/16 £'000 | 2015/16 £'000 | 2016/17 £'000 | 2016/17 £'000 | £'000 | £'000 | £'000 |
| Mrs E Way | Chief Executive | 130-135 | 0 | 1,600 | 0 | 130-135 | 130-135 | 0 | 2,000 | N/A | 130-135 | N/A | N/A | N/A | N/A | N/A |
| Mrs L Mitchell | Director of Finance and Contracting | 95-100 | 0 | 4,000 | 35 | 135-140 | 95-100 | 0 | 3,400 | 26 | 125-130 | 8 | 149 | 732 | 647 | 85 |
| Mr K Downey | Director of Women and Children's Service | 75-80 | 0 | 2,600 | 18 | 95-100 | 75-80 | 0 | 2,800 | 35 | 110-115 | 2 | 134 | 759 | 916 | (157) |
| Mr A Corry Finn | Director of Primary Care & Older Peoples Service | 95-100 | 0 | 0 | 43 | 140-145 | 95-100 | 0 | 0 | 31 | 125-130 | 10 | 200 | 1,159 | 1,049 | 110 |
| Mr A McKinney (left 31 July 2015) | Acting Medical Director | 0 | 0 | 0 | 0 | 0 | 40-45 | 0 | 0 | 0 | 40-45 | N/A | N/A | N/A | N/A | N/A |
| Dr Dermot Hughes (from 1 st August 2015) ** | Medical Director | 180-185 | 0 | 0 | (48) | 130-135 | 205-210** | 0 | 0 | 54 | 260-265 | (5) | 236 | 1,336 | 1,323** | 13 |
| Other Board Members | | | | | | | | | | | | | | | | |
| Mr J Lusby | Deputy Chief Executive (left 21/04/16) | 5-10 | 0 | 0 | 0 | 5-10 | 95 - 100 | 0 | 1,100 | 0 | 90-95 | N/A | N/A | N/A | 1,117 | 0 |
| Mr T Millar | Director of Adult Mental Health and Disability Services | 80-85 | 0 | 5,500 | 30 | 120-125 | 80-85 | 0 | 4,800 | 23 | 105-110 | 7 | 129 | 691 | 615 | 76 |
| Mrs G McKay | Director of Acute Services | 70-75 | 0 | 1,300 | (3) | 70-75 | 70-75 | 0 | 700 | 15 | 85-90 | 0 | 92 | 462 | 448 | 14 |
| Mr A Moore | Director of Strategic Capital Development | 70-75 | 0 | 0 | 0 | 70-75 | 70-75 | 0 | 0 | 0 | 70-75 | N/A | N/A | N/A | N/A | N/A |
| Mrs T Molloy | Director of Performance & Service Improvement | 90-95 | 0 | 1,200 | (-10) | 80-85 | 90-95 | 0 | 600 | 16 | 105-110 | 0 | 78 | 377 | 353 | 24 |
| Mrs A McConnell | Director of Human Resources | 75-80 | 0 | 0 | 15 | 90-95 | 75-80 | 0 | 100 | 26 | 100-105 | 1 | 117 | 552 | 498 | 54 |

**Salary and CETV for Mr D Hughes for 2015/16 has been restated to account for all remuneration earned in the 2015/16 year including allowances .

As Non-Executive members do not receive pensionable remuneration, there are 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.

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

Pension contributions deducted from individual employees are dependent upon the level of remuneration receivable and are deducted using a scale applicable to the level of remuneration received by the employee.

Benefits in kind are recorded in the period in which they are earned on an accruals basis.

Mr Downey and Mrs McKay opted out of the scheme during 2015/16. Mrs Way and Mr Moore are beyond the threshold for calculation of CETV and so this is not applicable in the 2016/17 year.

Median Remuneration

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 excluding the highest paid director. Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. In 2015/16 and 2016/17 the highest paid Director was the Medical Director. See note on page 83 for restatement.

| | 2017 | Restated 2016 |
|--|-------------|-------------------------|
| Highest Earner's Total Remuneration (£'000) | 180-185 | 205-210 |
| Median Total Remuneration (£) | 24,063 | 23,825 |
| Ratio of Highest Earner to Median Remuneration | 7.5 : 1 | 8.7 : 1 |

2.2.2 Staff Report

Details of the Senior Trust staff as at 31 March 2017 are as follows. For the purposes of this

note, Senior staff is taken to include staff at Tier 3 and Band 8c in the Trust.

| LEVEL | POST | GRADE | NUMBER |
|--------|--------------------|-----------------------------|-----------|
| Tier 1 | Chief Executive | Senior Executive Payscale | 1 |
| Tier 2 | Director | Senior Executive Payscale | 8 |
| Tier 2 | Director | Consultant Contract | 1 |
| Tier 3 | Senior Manager | Agenda for Change – Band 9 | 1 |
| Tier 3 | Senior Manager | Agenda for Change – Band 8c | 29 |
| Tier 3 | Associate Director | Medical | 3 |
| | | Total | 43 |

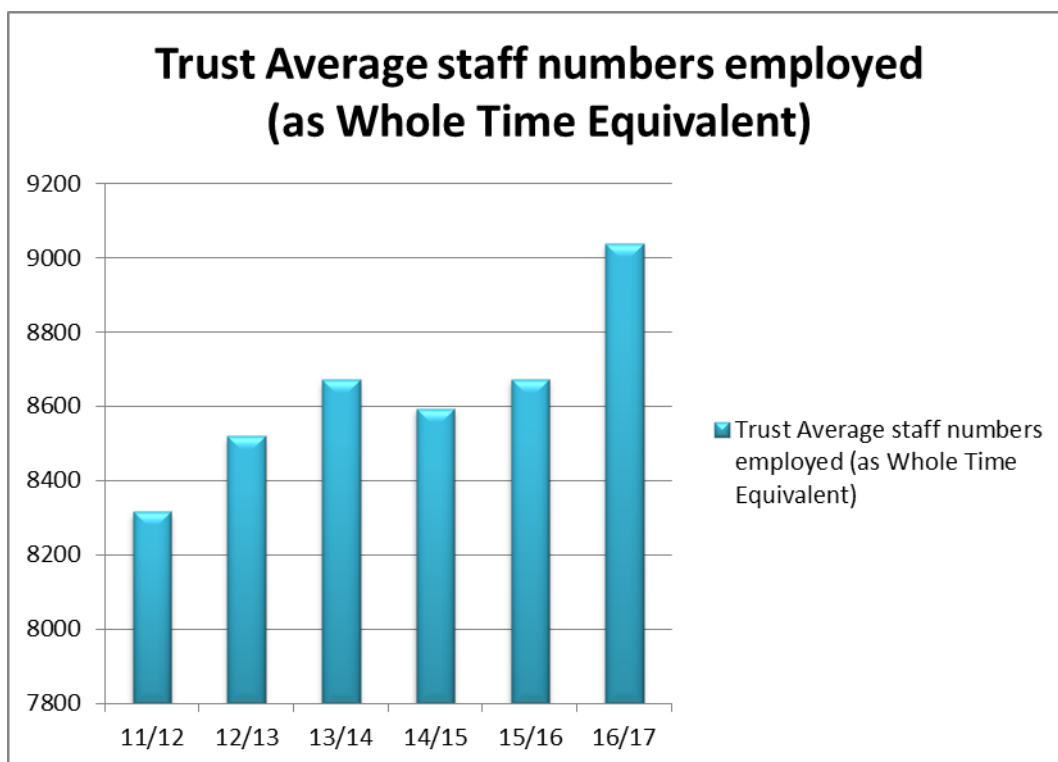
The gender split of Senior Trust Staff was 25 females and 18 males.

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

| | 2017 | 2017 | 2017 | 2016 |
|---|--|------------------|-----------------|-----------------|
| | Permanently Employed Staff Number | Others Number | Total Number | Total Number |
| Medical and dental | 516 | 76 | 592 | 550 |
| Nursing and midwifery | 3,232 | 81 | 3,313 | 3,199 |
| Professions allied to medicine | 504 | 7 | 511 | 463 |
| Ancillaries | 785 | 62 | 847 | 831 |
| Administrative and clerical | 1,506 | 28 | 1,534 | 1,492 |
| Works | 140 | 0 | 140 | 131 |
| Other professional and technical | 423 | 0 | 423 | 398 |
| Social services | 1,440 | 61 | 1,501 | 1,460 |
| Other | 206 | 0 | 206 | 188 |
| Total average number of persons employed | 8,752 | 315 | 9,067 | 8,712 |
| Less average staff number relating to capitalised staff costs | 37 | 0 | 37 | 36 |
| Less average staff number in respect of outward secondments | 2 | 0 | 2 | 4 |
| Total net average number of persons employed | 8,713 | 315 | 9,028 | 8,672 |

Staff numbers relate to Western Health and Social Care Trust only. There are no staff employed by the Western Trust Charitable Trust Funds.

The trend over the last 5 years is shown in the chart below.



Staff costs incurred by the Trust during 2016/17 comprise the following:

| | Permanently Employed Staff £000s | 2017 Others £000s | 2017 Total £000s | 2016 Total £000s |
|---|---|-------------------------|------------------------|------------------------|
| Wages and salaries | 289,881 | 24,570 | 314,451 | 302,264 |
| Social security costs | 30,573 | 0 | 30,573 | 23,727 |
| Other pension costs | 38,534 | 0 | 38,534 | 36,374 |
| Sub-Total | 358,988 | 24,570 | 383,558 | 362,365 |
| Less Capitalised staff costs | 1,355 | | 1,355 | 1,320 |
| Total staff costs reported in Statement of Comprehensive Net Expenditure | 357,633 | 24,570 | 382,203 | 361,045 |
| Less recoveries in respect of outward secondments | | | 246 | 321 |
| Total net costs | | | 381,957 | 360,724 |

Total Net costs of which:

| | £000s | £000s |
|---------------------------|----------------|----------------|
| Western HSC Trust | 382,203 | 361,045 |
| Charitable Trust Fund | 0 | 0 |
| Consolidation Adjustments | 0 | 0 |
| Total | 382,203 | 361,045 |

Staff costs exclude £1,355k charged to capital projects during the year (2015/16 £1,320k).

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

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. A full valuation for Resource Accounts purposes as at 31 March 2012 was certified in February 2015 and is used in the 2016/17 accounts.

The Trust made no off payroll payments to staff during 2016/17.

The Trust incurred no expenditure during the year on consultancy costs.

The gender split of the Trust's workforce is currently 81% female, 19% male. The cumulative rate of absence for all Trust staff during 2016/17 was 7.51%.

The Trust does not have any staff benefit schemes.

Trust Management Costs

| | 2017 £000s | 2016 £000s |
|--|----------------|----------------|
| Trust Management Costs | 20,290 | 19,689 |
| Income: | | |
| RRL | 602,915 | 551,187 |
| Income per Note 4 | 40,961 | 32,481 |
| Non cash RRL for movement in clinical negligence provision | (3,913) | (3,197) |
| Less interest receivable | 0 | 0 |
| Total Income | 639,963 | 580,471 |
| % of total income | 3.2% | 3.4% |

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

There were no compulsory redundancies during 2016/17. The details of the numbers of staff who left the Trust during the year via early retirement or other compensation scheme exit packages are as follows:

Reporting of early retirement and other compensation scheme – exit packages

| Exit package cost band | Number of compulsory | | Number of other departures | | Total number of exit packages by cost | |
|--|----------------------|--------------|----------------------------|--------------|---------------------------------------|--------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| <£10,000 | 0 | 0 | 28 | 11 | 28 | 11 |
| £10,001 - £25,000 | 0 | 0 | 5 | 10 | 5 | 10 |
| £25,001 - £50,000 | 0 | 0 | 0 | 8 | 0 | 8 |
| £50,001 - £100,000 | 0 | 0 | 0 | 7 | 0 | 7 |
| £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 | 33 | 36 | 33 | 36 |
| | £000s | £000s | £000s | £000s | £000s | £000s |
| Total resource cost | 0 | 0 | 185 | 1,095 | 185 | 1,095 |

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 to the Accounts at Section 3 of this document. 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.

Retirements Due To Ill-Health

During 2016/17 there were 45 early retirements from the Trust, agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £67k. These costs are borne by the HSC Pension Scheme

2.3 Assembly Accountability and Audit Report

2.3.1 Funding Report

Regularity of Expenditure

As part of her responsibilities as the Trust's Accounting Officer, the Chief Executive is accountable for the regularity of the public finances for which she is answerable. The Chief Executive discharges this accountability by having in place a robust financial governance framework that is tested regularly and on which annual independent assurances are obtained.

The key elements of this financial governance framework are as follows:

- Standing Orders that set out the governance structures in the Trust and rules on their operation;
- Standing Financial Instructions that set out the financial rules that all managers, staff, agents and representatives must follow in the conduct of their work for the Trust;
- A Scheme of Delegation that specifies the levels of financial authority that have been delegated to the Trust by the DHSSPS;
- A Schedule of Delegated Authority that clarifies how the Chief Executive's authority is delegated to managers within the Trust, and the levels of that delegation;
- A range of other financial governance policy documents covering areas such as fraud, bribery, procurement, gifts and hospitality;
- A suite of financial procedures that provide detailed guidance on the application of Standing Financial Instructions;
- A professionally qualified and suitably experienced Finance function to provide support and challenge to the Trust;
- The existence of an Audit Committee as a formal sub-committee of the Board with defined terms of reference;
- An Internal Audit function that carries out an ongoing assessment of the effectiveness of the financial and corporate governance framework and provides an annual independent assurance on this to the Chief Executive.

Liquidity and Cash Flow

WHSCT, in common with other HSC Trusts, draws down cash directly from the Department of Health to cover both revenue and capital expenditure. Cash deposits held by the Trusts are minimal and none of the public fund bank accounts earn interest. Any interest that would be earned is repaid to the Department of Health.

The Trust's cash position during the year is summarised in the Statement of Cash Flows in the Accounts at Section 3 of this document.

Private Financing Initiatives (PFI)

The Trust has two existing PFI contracts in place. One was entered into to provide the financing for a new Laboratory and Pharmacy building at Altnagelvin Hospital and the second was for the construction of the South West Acute Hospital in Enniskillen. The charges to the Trust under both contracts depend on movements in the Retail Prices Index for interest rate changes.

The overall PFI liability for the two contracts as at 31 March 2017 was £128m. Further details of the PFI details can be found in Note 18 to the Accounts in Section 3 of this document. The current net book value of the two relevant assets was £224m as at 31 March 2017.

Provisions greater than 1 year

The Trust provides for legal cases that are not yet settled and further detail on these is available in Note 15 to the accounts. Where a case is not expected to settle in the following year the provision is discounted and the provision is shown as a Non Current Liability in the Statement of Financial Position. At 31st March 2017 the Trust had £16.8m of non-current provisions.

Losses and Special Payments

| Type of loss and special payment | | 2016-17 | | 2015-16 |
|----------------------------------|--|-------------|------------------|------------------|
| | | No of Cases | £ | £ |
| Cash losses | | | | |
| | Cash Losses - Theft, fraud etc | 1 | 7,650 | |
| | Cash Losses - Overpayments of salaries, wages and allowances | 5 | 2,717 | 965 |
| | Cash Losses - Other causes | 12 | 4,368 | 588 |
| | | 18 | 14,735 | 1,553 |
| Claims abandoned | | | | |
| | Waived or abandoned claims | 0 | 0 | 0 |
| Administrative write-offs | | | | |
| | Bad debts | 42 | 28,342 | 58,965 |
| | Other | | | |
| | | 42 | 28,342 | 58,965 |
| Fruitless payments | | | | |
| | Late Payment of Commercial Debt | 2 | 80 | 385 |
| | Other fruitless payments and constructive losses | 1 | (400) | 400 |
| | | 3 | (320) | 785 |
| Stores losses | | | | |
| | Losses of accountable stores through any deliberate act | 14 | 3,225 | 23,500 |
| | Other stores losses | 65 | 87,957 | 79,192 |
| | | 79 | 91,182 | 102,692 |
| Special Payments | | | | |
| | Compensation payments: | | | |
| | - Clinical Negligence | 23 | 670,750 | 1,159,601 |
| | - Public Liability | 5 | 61,917 | 18,550 |
| | - Employers Liability | 17 | 150,260 | 155,418 |
| | - Other | 2 | 9,000 | |
| | | 47 | 891,927 | 1,333,569 |
| | Ex-gratia payments | 55 | 44,402 | 13,656 |
| | Extra contractual payments | 1 | 11,641 | 19,469 |
| | Special severance payments | | | |
| Subtotal | | 245 | 1,081,909 | 1,530,689 |

Special Payments

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

Other Payments

There were no other payments made during the year.

Losses and Special Payments over £250,000

| Losses and Special Payments over £250,000 | Number of Cases | 2016-17 £ | 2015-16 £ |
|--|------------------------|----------------------|----------------------|
| Clinical Negligence cases (see below) | 1 | 300,000 | 900,675 |
| Other | 1 | 500,000 | 1,000,000 |
| Subtotal | 2 | 800,000 | 1,900,675 |
| Grand Total | 247 | 1,881,909 | 3,431,364 |

| Clinical Negligence Settlements Over £250,000 | £ |
|--|----------|
| Case related to surgical treatment | 300,000 |

| Other | £ |
|--------------------------------|----------|
| Case related to employment law | 500,000 |

Note

*£400 was disclosed in the 2015-16 losses schedule but this has been recovered from the HSC Business Services Organisation.

Remote Contingent Liabilities

All contingent liabilities that the Trust is aware of are stated in Note 21 to the Accounts at Section 3 of this document.

Notation of gifts

No notation of gifts over the limits prescribed in Managing Public Money Northern Ireland were made.

2.3.2 Complaints

Complaints Reporting

Feedback from service users is an important aspect of the Trust's Governance arrangements. It helps the Trust to improve the quality of services we offer and to safeguard high standards of care and treatment. All complaints, enquiries, comments, suggestions and compliments are taken seriously as they are viewed as an opportunity for learning and improving services.

Anyone accessing health and social care services, either directly or indirectly, can raise a complaint. This includes existing and former patients, clients, residents, family members, representatives, carers or other third parties.

The Trust has a documented policy for the management of complaints that was updated in March 2015 with a further update planned for May 2017. The following principles underpin the Trust's approach to dealing with complaints:

- Openness and accessibility
- Responsiveness
- Fairness and independence
- Learning and development

The Assistant Director for Quality and Safety is the lead officer for complaints management within the Trust.

The Trust makes available in all service areas information on how to provide feedback on services delivered. As part of this, information is provided on how to make a complaint, including awareness of the independent service offered by the Patient and Client Council.

The Trust has in existence a Complaints and Patient & Client Experience Forum which is chaired by one of the Trust's Non-Executive Directors. In relation to complaints, the Forum is responsible for:

- seeking assurance that the Trust's procedures comply with best practice in complaints management;
- reviewing analysis of complaints and enquiries to identify trends, emerging issues and potential risks, and seeking assurance that these are being considered in the Trust's planning processes;
- seeking evidence of learning and service improvement from service user feedback;
- monitoring service user feedback and the Trust's performance against the Department of Health's timeframes for complaints management;
- contributing to annual reports for Trust Board;
- providing regular assurance to the Trust's Governance Committee regarding the management of complaints.

During 2016/17, the Trust received 509 complaints and 2,968 compliments.

Further information on the monitoring of complaints can be obtained from the Trust's Complaints Department, Trust Headquarters, MDEC Building, Altnagelvin Hospital Site, Glenshane Road, Londonderry, BT47 6SB.



08/06/2017

Elaine Way
Chief Executive & Accounting Officer

Date

2.3.3 Audit Certificate

WESTERN HEALTH AND SOCIAL CARE TRUST

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

I certify that I have audited the financial statements of the Western Health and Social Care Trust and its group for the year ended 31 March 2017 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. The financial statements comprise the Consolidated Statements of Comprehensive Net Expenditure, Financial Position, Changes in Taxpayers' Equity, Cash Flows, and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Assembly Accountability disclosures that are described in those reports as having been audited.

Respective responsibilities of the Board, Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining 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. This includes an assessment of: whether the accounting policies are appropriate to the group's and Western Health and Social Care Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Western Health and Social Care Trust; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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.

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.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the group's and of Western Health and Social Care Trust's affairs as at 31 March 2017 and of the net expenditure for the year then ended; and
- the financial statements 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 other matters

In my opinion:

- the part of the Remuneration and Staff Report and the Assembly Accountability disclosures to be audited have been properly prepared in accordance with Department of Health directions made under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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 Remuneration and Staff Report and Assembly Accountability Disclosures 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 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

27 June 2017

3.0 ANNUAL ACCOUNTS

Annual Accounts for the Year Ended 31 March 2017 including Patients' / Residents' Monies Accounts for the Year Ended 31 March 2017.

WESTERN HEALTH AND SOCIAL CARE TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

CERTIFICATES OF DIRECTOR OF FINANCE, CHAIRMAN AND CHIEF EXECUTIVE

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 96 to 150) which I am required to prepare on behalf of the Western HSC Trust have been compiled from and are in accordance with the accounts and financial records maintained by the Western HSC Trust and with the accounting standards and policies for HSC bodies approved by the Department of Health.



.....Director of Finance

...08/06/2017.....Date

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 96 to 150) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.



.....Chairman

...08/06/2017.....Date



.....Chief Executive

...08/06/2017.....Date

WESTERN HEALTH AND SOCIAL CARE TRUST

OTHER COMPREHENSIVE EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2017

| | NOTE | 2017 £000s | | | | 2016 £000s | | | |
|---|-------------|------------------|--------------|-----------------------------|------------------|------------------|--------------|-----------------------------|------------------|
| | | Trust | CTF | Consolidated adjustments | Consolidated | Trust | CTF | Consolidated adjustments | Consolidated |
| Items that will not be reclassified to net operating costs: | | | | | | | | | |
| Net gain/(loss) on revaluation of property, plant and equipment | 5.1/8/5.2/8 | 6,242 | | | 6,242 | 17,178 | 0 | | 17,178 |
| Net gain/(loss) on revaluation of intangibles | 6.1/8/6.2/8 | 0 | | | 0 | 0 | 0 | | 0 |
| Net gain/(loss) on revaluation of charitable assets | | 0 | 314 | | 314 | 0 | (137) | | (137) |
| Items that may be reclassified to net operating costs: | | | | | | | | | |
| Net gain/(loss) on revaluation of investments | | 0 | | | 0 | 0 | 0 | | 0 |
| Total comprehensive expenditure for the year ended 31 March 2017 | | (596,598) | (113) | 0 | (596,711) | (533,972) | (246) | 0 | (534,218) |

The notes on pages 102 to 150 form part of these accounts.

* All donated funds have been used by Western Health and Social Care Trust as intended by the benefactor. It is for the Endowments and Gifts 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.

WESTERN HEALTH AND SOCIAL CARE TRUST


CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

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


| | NOTE | 2017 | | 2016 | |
|--|---------|------------------|------------------|------------------|------------------|
| | | Trust | Consolidated | Trust | Consolidated |
| | | £000 | £000 | £'000 | £'000 |
| Non Current Assets | | | | | |
| Property, plant and equipment | 5.1/5.2 | 715,572 | 715,572 | 663,574 | 663,574 |
| Intangible assets | 6.1/6.2 | 2,158 | 2,158 | 2,036 | 2,036 |
| Financial Assets | 7 | 0 | 2,421 | 0 | 2,107 |
| Trade and other receivables | 12 | 0 | 0 | 2 | 2 |
| Other current assets | 12 | 0 | 0 | 0 | 0 |
| Total Non Current Assets | | 717,730 | 720,151 | 665,612 | 667,719 |
| Current Assets | | | | | |
| Assets classified as held for sale | 9 | 470 | 470 | 470 | 470 |
| Inventories | 10 | 3,822 | 3,822 | 4,940 | 4,940 |
| Trade and other receivables | 12 | 16,499 | 16,506 | 15,104 | 15,088 |
| Other current assets | 12 | 1,442 | 1,442 | 703 | 703 |
| Intangible current assets | 12 | 0 | 0 | 0 | 0 |
| Financial assets | 7 | 0 | 0 | 0 | 0 |
| Cash and cash equivalents | 11 | 2,420 | 3,419 | 4,973 | 6,411 |
| Total Current Assets | | 24,653 | 25,659 | 26,190 | 27,612 |
| Total Assets | | 742,383 | 745,810 | 691,802 | 695,331 |
| Current Liabilities | | | | | |
| Trade and other payables | 13 | (85,310) | (85,347) | (84,451) | (84,477) |
| Other liabilities | 13 | (2,902) | (2,902) | (3,013) | (3,013) |
| Intangible current liabilities | 13 | 0 | 0 | 0 | 0 |
| Provisions | 15 | (3,677) | (3,677) | (4,309) | (4,309) |
| Total Current Liabilities | | (91,889) | (91,926) | (91,773) | (91,799) |
| Total Assets less Current Assets | | 650,494 | 653,884 | 600,029 | 603,532 |
| Non Current Liabilities | | | | | |
| Provisions | 15 | (16,775) | (16,775) | (12,195) | (12,195) |
| Other payables > 1 year | 13 | (125,115) | (125,115) | (128,013) | (128,013) |
| Financial liabilities | 7 | 0 | 0 | 0 | 0 |
| Total Non Current Liabilities | | (141,890) | (141,890) | (140,208) | (140,208) |
| Total assets less total liabilities | | 508,604 | 511,994 | 459,821 | 463,324 |
| Taxpayers' equity | | | | | |
| Revaluation Reserve | | 93,776 | 93,776 | 87,763 | 87,763 |
| SoCNE Reserve | | 414,828 | 414,828 | 372,058 | 372,058 |
| Other Reserves – Charitable Funds | | 0 | 3,390 | 0 | 3,503 |
| Total equity | | 508,604 | 511,994 | 459,821 | 463,324 |

The notes on pages 102 to 150 form part of these accounts.

The financial statements on pages 97 to 101 were approved by the Board on and were signed on its behalf by

Signed (Chairman): 

Date: 08/06/2017

Signed (Chief Executive): 

Date: 08/06/2017

WESTERN HEALTH AND SOCIAL CARE TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Trust during the reporting period. The statement shows how the Trust generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the Trust. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Trust's future public service delivery.

| | NOTE | 2017 £000s | 2016 £000s |
|--|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net surplus after interest/Net operating cost | | (603,267) | (551,259) |
| Adjustments for non cash costs | | 30,260 | 8,364 |
| (Increase)/decrease in trade and other receivables | | (2,155) | 1,453 |
| Less movements in receivables relating to items not passing through the NEA | | | |
| Movements in liabilities relating to the purchase of property, plant and equipment | | 0 | 0 |
| Movements in receivables relating to the sale of intangibles | | 0 | 0 |
| Movements in receivables relating of finance leases | | 0 | 0 |
| Movements in receivables relating to PFI and other services concession arrangement contracts | | 0 | 0 |
| (Increase)/decrease in inventories | | 1,118 | (10) |
| Increase/(decrease) in trade payables | | (2,139) | 16,010 |
| <i>Less movements in payables relating to items not passing through the NEA:</i> | | | |
| <i>Movements in payables relating to the purchase of property, plant and equipment</i> | | (2,150) | (4,088) |
| <i>Movements in payables relating to the purchase of intangibles</i> | | 0 | 0 |
| <i>Movements in payables relating to finance leases</i> | | 0 | 0 |
| Movements in payables relating to PFI and other services concession arrangement contracts | | (699) | (92) |
| Use of provisions | 15 | (2,441) | (5,639) |
| Net cash outflow from operating activities | | (581,473) | (535,261) |
| Cash flows from investing activities | | | |
| (Purchase of property, plant and equipment) | 5 | (66,548) | (59,364) |
| (Purchase of intangible assets) | 6 | (559) | (152) |
| Proceeds on disposal of property, plant and equipment | | 88 | 1,361 |
| Proceeds on disposal of intangibles | | | 0 |
| Proceeds on disposal of assets held for resale | | | 0 |
| Drawdown from investment fund | | | 0 |
| Share of income reinvested | | | 0 |
| Net cash outflow from investing activities | | (67,019) | (58,155) |
| Cash flows from financing activities | | | |
| Grant in aid | | 645,500 | 597,600 |
| Capital element of payments – finance leases and on balance sheet (SoFP) PFI and other service concession arrangements | | 0 | 0 |
| Net financing | | 645,500 | 597,600 |
| Net increase / (decrease) in cash and cash equivalents in the period | | (2,992) | 4,184 |
| Cash and cash equivalents at the beginning of the period | 11 | 6,411 | 2,227 |
| Cash and cash equivalents at the end of the period | 11 | 3,419 | 6,411 |
| The notes on pages 102 to 150 form part of these accounts. | | 3,419 | 6,411 |

WESTERN HEALTH AND SOCIAL CARE TRUST

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2017

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

For the year ended 31 March 2017

| | NOTE | SoCNE Reserve | Revaluation Reserve | Charitable Fund | Total |
|---|------|------------------|------------------------|--------------------|----------------|
| | | £000s | £000s | £000s | £000s |
| Balance at 31 March 2015 | | 325,920 | 70,585 | 3,749 | 400,254 |
| Changes in Taxpayers' Equity 2015-16 | | | | | |
| Grant from DoH | | 597,600 | 0 | 0 | 597,600 |
| Transfers between reserves | | 0 | 0 | 0 | 0 |
| (Comprehensive expenditure for the year) | | (551,150) | 17,178 | (246) | (534,218) |
| Transfer of asset ownership | | (371) | | 0 | (371) |
| Non cash charges – auditors' remuneration | 3 | 59 | 0 | 0 | 59 |
| Movement - other | | 0 | 0 | 0 | 0 |
| Balance at 31 March 2016 | | 372,058 | 87,763 | 3,503 | 463,324 |
| Changes in Taxpayers' Equity 2016-17 | | | | | |
| Grant from DoH | | 645,500 | 0 | 0 | 645,500 |
| Transfers between reserves | | 229 | (229) | 0 | 0 |
| (Comprehensive expenditure for the year) | | (602,840) | 6,242 | (113) | (596,711) |
| Transfer of asset ownership | | (180) | 0 | 0 | (180) |
| Non cash charges – auditors' remuneration | 3 | 61 | 0 | 0 | 61 |
| Balance at 31 March 2017 | | 414,828 | 93,776 | 3,390 | 511,994 |

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS

STATEMENT OF ACCOUNTING POLICIES

1. Authority

These accounts have been prepared in a form determined by the Department of Health based on guidance from the Department of Finance's Financial Reporting manual (FReM) and in accordance with the requirements of Article 90(2) (a) of the Health and Personal Social Services (Northern Ireland) Order 1972 No 1265 (NI 14) as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003.

The accounting policies follow IFRS to the extent that it is meaningful and appropriate to HSC bodies. 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 HSC body for the purpose of giving a true and fair view has been selected. The HSC body's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts, unless otherwise stated.

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.

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 entity;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has a cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £1,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

Valuation 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 HSC.

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 Arms Length Body (ALB) 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

The Department of Finance has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. Land and Property Services (LPS) have included this requirement within the latest valuation.

Assets Under Construction (AUC)

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

Short Life Assets

Short life 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 similarly, amortisation is applied to intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. Assets held under finance leases are also depreciated over the lower of their estimated useful lives and the terms of the lease. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. 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 |

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

1.7 Intangible assets

Intangible assets includes any of the following held - software, licences, trademarks, websites, development expenditure, patents, goodwill and intangible Assets under Construction. Software that is integral to the operating of hardware, for example an operating system is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

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

Recognition

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

1.9 Inventories

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

1.10 Income

Operating Income relates directly to the operating activities of the Trust and is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable.

Grant in aid

Funding received from other entities, including the Department of Health 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 Trust does not have any investments.

1.12 Other expenses

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

1.13 Cash and cash equivalents

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

1.14 Leases

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.

1.15 Private Finance Initiative (PFI) transactions

The Department of Finance has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The Trust therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including replacement of components; and
- c) Payment for finance (interest costs).

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

PFI Asset

The PFI asset is recognised as property, plant and equipment, when it comes into use. The asset is measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the asset is measured at fair value, which is kept up to date in accordance with the HSC body's approach for each relevant class of asset in accordance with the principles of IAS 16.

PFI liability

A PFI liability is recognised at the same time as the PFI asset is recognised. It is measured initially at the same amount as the fair value of the PFI asset and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Net Expenditure.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Income.

Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Assets contributed by the Trust to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the Trust's Statement of Financial Position.

Other assets contributed by the Trust to the operator

Assets contributed (e.g. cash payments, surplus property) by the Trust to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the Trust, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

1.16 Financial instruments

• Financial assets

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

Financial assets are initially recognised at fair value.

- 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 HSC bodies in creating risk than would apply to a non public sector body of a similar size, therefore Trusts are not exposed to the degree of financial risk faced by business entities.

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

- Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The HSC bodies have 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.

1.17 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 Department of Finance-issued discount rates of:

| Rate | Time period | Real rate |
|-------------|-------------|-----------|
| Short-term | 0-5 years | -2.70% |
| Medium-term | 5-10 years | -1.95% |
| Long-term | 10+ years | -0.80% |

as at 31 March 2017. The discount rate to be applied for employee early departure obligations is +0.24% with effect from 31 March 2017.

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.

1.18 Contingencies

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 present value.

1.19 Employee benefits

Short-term employee benefits

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been estimated using 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 2017. It is not anticipated that the level of untaken leave will vary significantly from year to year.

Retirement benefit costs

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

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 2012 valuation for the HSC Pension scheme will be used in 2016-17 accounts.

1.20 Reserves

Statement of Comprehensive Net Expenditure Reserve

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

Revaluation Reserve

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

1.21 Value Added Tax

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

1.22 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 23 to the accounts.

1.23 Government Grants

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

1.24 Losses and Special Payments

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

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had HSC bodies 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.

1.25 Charitable Trust Account Consolidation

HSC Trusts are required to consolidate the accounts of controlled charitable organisations and funds held on trust into their financial statements. As a result the financial performance and funds have been consolidated. The Trust has accounted for these transfers using merger accounting as required by the FReM.

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

“All funds have been used by Health and Social Care Trust as intended by the benefactor. It is for the Gifts and Endowments Committee within the 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”.

1.26 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.

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on Office of National Statistics (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 but a decision has yet to be made by the Executive. Should the Executive agree to the recommendations, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may change as a result of the new Standards.

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

1.27 Impact of implementation of ESA 2010 on research and development expenditure

Following the introduction of the 2010 European System of Accounts (ESA10), 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. In order to reflect this new treatment which was implemented from 2016/17, additional disclosures have been included in notes 24.1 and 24.2.

WESTERN HEALTH AND SOCIAL CARE TRUST

ANNUAL ACCOUNTS 31 MARCH 2017

NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

The Trust is managed by way of a directorate structure, each led by a Director, providing an integrated healthcare service for the resident population. The Directors along with Non Executive Directors, 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.

| Directorate | Staff Costs £000s | 2017 Other Expenditure £000s | Total Expenditure £000s | Staff Costs £000s | 2016 Other Expenditure £000s | Total Expenditure £000s |
|--|-------------------------|---------------------------------------|----------------------------|-------------------------|---------------------------------------|-------------------------------|
| Children's Services | 68,540 | 25,383 | 93,923 | 65,563 | 21,830 | 87,393 |
| Acute Hospital Services | 144,856 | 44,758 | 189,614 | 136,181 | 44,748 | 180,929 |
| Older People's Services | 77,264 | 73,979 | 151,243 | 70,501 | 70,042 | 140,543 |
| Mental Health and Disability Services | 46,275 | 34,689 | 80,964 | 45,022 | 30,096 | 75,118 |
| Planning, Performance Management and Support Services | 33,017 | 20,208 | 53,225 | 31,945 | 17,737 | 49,682 |
| Other Trust Directorates | 12,250 | 24,431 | 36,681 | 11,832 | 23,918 | 35,750 |
| Expenditure for Reportable Segments net of Non Cash Expenditure | 382,202 | 223,448 | 605,650 | 361,044 | 208,371 | 569,415 |
| Non Cash Expenditure | | | 38,151 | | | 14,216 |
| Total Expenditure per Net Expenditure Account | | | 643,801 | | | 583,631 |
| Income Note 4 | | | (40,961) | | | (32,481) |
| Net Expenditure | | | 602,840 | | | 551,150 |
| Revenue Resource Limit Note 24 | | | 602,915 | | | 551,187 |
| Surplus / (Deficit) against RRL | | | 75 | | | 37 |

WESTERN HEALTH AND SOCIAL CARE TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017
NOTE 3 OPERATING EXPENSES

| 3.0 Operating Expenses are as follows:- | 2017 | | | 2016 | | | | |
|--|------------------------|----------------------|---|-------------------------------|------------------------|----------------------|---|-------------------------------|
| | Trust £000s | CTF £000s | Consolidated adjustments £000s | Consolidated £000s | Trust £000s | CTF £000s | Consolidated adjustments £000s | Consolidated £000s |
| Staff costs: | | | | | | | | |
| Wages and salaries | 313,096 | | | 313,096 | 300,944 | | | 300,944 |
| Social security costs | 30,573 | | | 30,573 | 23,727 | | | 23,727 |
| Other pension costs | 38,534 | | | 38,534 | 36,374 | | | 36,374 |
| Purchase of care from non-HPSS bodies | 58,541 | | | 58,541 | 59,732 | | | 59,732 |
| Revenue grants to voluntary organisations | 11,771 | | | 11,771 | 8,937 | | | 8,937 |
| Personal social services | 39,424 | | | 39,424 | 33,622 | | | 33,622 |
| Recharges from other HSC organisations | 1,957 | | | 1,957 | 1,441 | | | 1,441 |
| Supplies and services – Clinical | 46,349 | | | 46,349 | 43,337 | | | 43,337 |
| Supplies and services - General | 6,237 | | | 6,237 | 6,230 | | | 6,230 |
| Establishment | 9,565 | | | 9,565 | 9,381 | | | 9,381 |
| Transport | 1,739 | | | 1,739 | 1,468 | | | 1,468 |
| Premises | 20,680 | | | 20,680 | 18,119 | | | 18,119 |
| Bad debts | 459 | | | 459 | 147 | | | 147 |
| Interest charges | 12,344 | | | 12,344 | 12,471 | | | 12,471 |
| PFI and other service concession arrangements service charges | 4,318 | | | 4,318 | 4,190 | | | 4,190 |
| Research & development expenditure | 25 | | | 25 | 0 | | | 0 |
| BSO services | 4,614 | | | 4,614 | 3,839 | | | 3,839 |
| Training | 1,252 | | | 1,252 | 1,168 | | | 1,168 |
| Patients travelling expenses | 656 | | | 656 | 600 | | | 600 |
| Costs of exit packages not provided for | 185 | | | 185 | 1,095 | | | 1,095 |
| Other Charitable Expenditure | 0 | 921 | (35) | 886 | 0 | 586 | | 586 |
| Miscellaneous expenditure | 3,331 | | | 3,331 | 2,468 | | | 2,468 |
| Non-cash items | | | | | | | | |
| Depreciation | 24,968 | | | 24,968 | 23,113 | | | 23,113 |
| Depreciation – On Balance sheet PFI (funded by notional non cash RRL) | 5,266 | | | 5,266 | 8,284 | | | 8,284 |
| Amortisation | 559 | | | 559 | 510 | | | 510 |
| Impairments | 946 | | | 946 | (21,625) | | | (21,625) |
| (Profit) on disposal of property, plant & equipment (excluding profit on land) | (60) | | | (60) | (11) | | | (11) |
| Loss on disposal of property, plant & equipment (including land) | 22 | | | 22 | 6 | | | 6 |
| Provisions provided for in year | 7,191 | | | 7,191 | 4,293 | | | 4,293 |
| Cost of borrowing of provisions (unwinding of discount on provisions) | (802) | | | (802) | (288) | | | (288) |
| Auditors' remuneration | 61 | 5 | | 66 | 59 | 5 | | 64 |
| Add back of notional charitable expenditure | 0 | (5) | | (5) | 0 | (5) | | (5) |
| Total | 643,801 | 921 | (35) | 644,687 | 583,631 | 586 | 0 | 584,217 |

The Trust purchased no non audit services from its external auditor during 2016/17.

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 4 INCOME

4.1 Income from Activities

| | 2017 | | | 2016 | | | 2016 | | |
|---|----------------|--------------|--------------------------------------|-----------------------|----------------|--------------|--------------------------------------|-----------------------|--|
| | Trust £000s | CTF £000s | Consolidated adjustments £000s | Consolidated £000s | Trust £000s | CTF £000s | Consolidated adjustments £000s | Consolidated £000s | |
| GB/Republic of Ireland Health Authorities | 2,246 | | | 2,246 | 1,000 | | | 1,000 | |
| HSC Trusts | 399 | | | 399 | 438 | | | 438 | |
| Non-HSC – Private Patients | 439 | | | 439 | 433 | | | 433 | |
| RTA | 1,218 | | | 1,218 | 323 | | | 323 | |
| Clients contributions | 16,771 | | | 16,771 | 16,699 | | | 16,699 | |
| Total | 21,073 | 0 | 0 | 21,073 | 18,893 | 0 | 0 | 18,893 | |

4.2 Other Operating Income

| | Trust £000s | | Consolidated £000s | Trust £000s | | Consolidated £000s | | |
|---|----------------|------------|-----------------------|----------------|---------------|-----------------------|----------|---------------|
| Other income from non-patient services | 10,120 | (35) | 10,085 | 6,016 | | 6,016 | | |
| Supporting people | 1,277 | | 1,277 | 1,167 | | 1,167 | | |
| Seconded staff | 246 | | 246 | 321 | | 321 | | |
| Charitable and other contributions to expenditure by core trust | 250 | | 250 | 107 | | 107 | | |
| Donations / Government grant / Lottery funding for non-current assets | 7,891 | | 7,891 | 5,852 | | 5,852 | | |
| Charitable Income received by Charitable Trust Fund | 0 | 403 | 403 | 0 | 382 | 382 | | |
| Investment Income | 0 | 91 | 91 | 0 | 95 | 95 | | |
| Research and development | 0 | | 0 | 0 | | 0 | | |
| Profit on disposal of land | 0 | | 0 | 125 | | 125 | | |
| Interest receivable | 0 | | 0 | 0 | | 0 | | |
| Total | 19,784 | 494 | (35) | 20,243 | 13,588 | 477 | 0 | 14,065 |

4.3 Deferred Income

| | Trust £000s | | Consolidated £000s | Trust £000s | | Consolidated £000s | | |
|--|----------------|------------|-----------------------|----------------|---------------|-----------------------|----------|---------------|
| Research and development income released | 104 | | 104 | 0 | | 0 | | |
| Income released from conditional grants | | | 0 | | | 0 | | |
| Total | 104 | 0 | 0 | 104 | 0 | 0 | | |
| Total income | 40,961 | 494 | (35) | 41,420 | 32,481 | 477 | 0 | 32,958 |

WESTERN HEALTH AND SOCIAL CARE TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017
NOTE 5.1 Consolidated Property, Plant and Equipment – Year Ended 31 March 2017

| | 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 2016 | 44,124 | 473,275 | 16,159 | 104,948 | 88,017 | 7,510 | 38,514 | 5,995 | 778,542 |
| Indexation | 596 | 5,524 | 314 | | 1,924 | 144 | | | 8,502 |
| Additions | 0 | 6,720 | 250 | 46,691 | 7,177 | 841 | 5,988 | 1,730 | 69,397 |
| Donations/ Government grant/Lottery funding | | 81 | | 7,693 | 82 | 25 | 10 | | 7,891 |
| Reclassifications | | 43,866 | | (43,866) | (146) | | | | (146) |
| Transfers | (180) | | | | | | | | (180) |
| Revaluation | | | | | | | | | 0 |
| Impairment charged to the SoCNE | (95) | (8,685) | | | | | | | (8,780) |
| Impairment charged to the revaluation reserve | | | | | | | | | 0 |
| Reversal of impairments (indexn) | 1,591 | 6,183 | 60 | | | | | | 7,834 |
| Disposals | | | | | (3,070) | (295) | (15) | | (3,380) |
| At 31 March 2017 | 46,036 | 526,964 | 16,783 | 115,466 | 93,984 | 8,225 | 44,497 | 7,725 | 859,680 |
| At 1 April 2016 | 0 | 21,937 | 699 | 0 | 60,062 | 4,992 | 24,619 | 2,659 | 114,968 |
| Indexation | | 720 | 26 | | 1,414 | 100 | | | 2,260 |
| Reclassifications | | | | | | | | | 0 |
| Transfers | | | | | | | | | 0 |
| Revaluation | | | | | | | | | 0 |
| Impairment charged to the SoCNE | | | | | | | | | 0 |
| Impairment charged to the revaluation reserve | | | | | | | | | 0 |
| Reversal of impairments (indexation) | | | | | | | | | 0 |
| Disposals | | | | | (3,046) | (293) | (15) | | (3,354) |
| Provided during the year | | 14,543 | 604 | | 8,804 | 709 | 5,085 | 489 | 30,234 |
| At 31 March 2017 | 0 | 37,200 | 1,329 | 0 | 67,234 | 5,508 | 29,689 | 3,148 | 144,108 |
| Carrying Amount | | | | | | | | | |
| At 31 March 2017 | 46,036 | 489,764 | 15,454 | 115,466 | 26,750 | 2,717 | 14,808 | 4,577 | 715,572 |
| At 31 March 2016 | 44,124 | 451,338 | 15,460 | 104,948 | 27,955 | 2,518 | 13,895 | 3,336 | 663,574 |
| Asset financing | | | | | | | | | |
| Owned | 46,036 | 265,011 | 15,454 | 115,466 | 26,750 | 2,717 | 14,808 | 4,577 | 490,819 |
| Finance leased | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| On B/S (So FP) PFI and other service concession arrangements contracts | 0 | 224,753 | 0 | 0 | 0 | 0 | 0 | 0 | 224,753 |
| Carrying Amount | | | | | | | | | |
| At 31 March 2017 | 46,036 | 489,764 | 15,454 | 115,466 | 26,750 | 2,717 | 14,808 | 4,577 | 715,572 |

Of which:

| | |
|-----------------------|---------|
| Trust | 715,572 |
| Charitable Trust Fund | |
| | 715,572 |

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure Account in respect of assets held under finance leases and hire purchase contracts is £5,266k (2016: £5,792k).

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

| | 2017 £000s | 2016 £000s |
|------------------|---------------|---------------|
| Donations | 433 | 158 |
| Government grant | 7,458 | 5,694 |
| Lottery funding | 0 | 0 |
| | 7,891 | 5,852 |

WESTERN HEALTH AND SOCIAL CARE TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017
NOTE 5.2 Consolidated Property, Plant and Equipment – Year Ended 31 March 2016

| | Land £000s | Buildings (excluding dwellings) £000s (* See Note 26) | Dwellings £000s | Assets under Construction £000s | Plant and Machinery (Equipment) £000s | Transport Equipment £000s | Information Technology (IT) £000s | Furniture and Fittings £000s | Total £000s (* See Note 26) |
|--|---------------|---|--------------------|---------------------------------------|--|---------------------------------|--|------------------------------------|-----------------------------------|
| Cost or Valuation | | | | | | | | | |
| At 1 April 2015 | 42,352 | 426,069 | 14,847 | 60,389 | 80,659 | 7,689 | 35,580 | 4,359 | 671,944 |
| Indexation | 1,294 | 15,841 | 1,125 | | 959 | 45 | | 23 | 19,287 |
| Additions | 0 | 2,944 | | 45,706 | 10,000 | 253 | 3,075 | 1,566 | 63,544 |
| Donations/ Government grant/Lottery funding | | | | 5,694 | 111 | | | 47 | 5,852 |
| Reclassifications | | 6,841 | | (6,841) | | | | | 0 |
| Transfers | (325) | (526) | | | 73 | | | | (778) |
| Revaluation | | | | | | | | | 0 |
| Impairment charged to the SoCNE | | | | | | | | | 0 |
| Impairment charged to the revaluation reserve | | | | | | | | | 0 |
| Reversal of impairments (indexn) | 803 | 22,106 | 187 | | | | | | 23,096 |
| Disposals | | | | | (3,785) | (477) | (141) | | (4,403) |
| At 31 March 2016 | 44,124 | 473,275 | 16,159 | 104,948 | 88,017 | 7,510 | 38,514 | 5,995 | 778,542 |

| | | | | | | | | | |
|---|----------|---------------|------------|----------|---------------|--------------|---------------|--------------|----------------|
| Depreciation | | | | | | | | | |
| At 1 April 2015 | 0 | 2,618 | 90 | 0 | 55,238 | 4,776 | 19,332 | 2,271 | 84,325 |
| Indexation | | 1,302 | 45 | | 719 | 30 | | 13 | 2,109 |
| Reclassifications | | | | | | | | | 0 |
| Transfers | | | | | 63 | | | | 63 |
| Revaluation | | | | | | | | | 0 |
| Impairment charged to the SoCNE | | 1,471 | | | | | | | 1,471 |
| Impairment charged to the revaluation reserve | | | | | | | | | 0 |
| Reversal of impairments (indexation) | | | | | (3,779) | (477) | (141) | | 0 |
| Disposals | | | | | 7,821 | 663 | 5,428 | 375 | (4,397) |
| Provided during the year | | 16,546 | 564 | 0 | | | | | 31,397 |
| At 31 March 2016 | 0 | 21,937 | 699 | 0 | 60,062 | 4,992 | 24,619 | 2,659 | 114,968 |

| | | | | | | | | | |
|------------------------|--------|---------|--------|---------|--------|-------|--------|-------|---------|
| Carrying Amount | | | | | | | | | |
| At 31 March 2016 | 44,124 | 451,338 | 15,460 | 104,948 | 27,955 | 2,518 | 13,895 | 3,336 | 663,574 |
| At 1 April 2015 | 42,352 | 423,451 | 14,757 | 60,389 | 25,421 | 2,913 | 16,248 | 2,088 | 587,619 |

| | | | | | | | | | |
|--|---------------|----------------|---------------|----------------|---------------|--------------|---------------|--------------|----------------|
| Asset financing | | | | | | | | | |
| Owned | 44,124 | 226,914 | 15,460 | 104,948 | 27,955 | 2,518 | 13,895 | 3,336 | 439,150 |
| Finance leased | | | | | | | | | 0 |
| On B/S SoFP PFI and other service concession arrangements contracts | | 224,424 | | | | | | | 224,424 |
| Carrying Amount | 44,124 | 451,338 | 15,460 | 104,948 | 27,955 | 2,518 | 13,895 | 3,336 | 663,574 |

| | | | | | | | | | |
|--|---------------|----------------|---------------|---------------|---------------|--------------|---------------|--------------|----------------|
| Asset financing | | | | | | | | | |
| Owned | 42,352 | 214,014 | 14,757 | 60,389 | 25,421 | 2,913 | 16,248 | 2,088 | 378,182 |
| Finance leased | | | | | | | | | 0 |
| On B/S SoFP PFI and other service concession arrangements contracts | | 209,437 | | | | | 0 | 0 | 209,437 |
| Carrying Amount | 42,352 | 423,451 | 14,757 | 60,389 | 25,421 | 2,913 | 16,248 | 2,088 | 587,619 |

Carrying amount comprises

| | | | | | | | | | |
|--|--------|---------|--------|---------|--------|-------|--------|-------|---------|
| Western HSC Trust at 31 March 2017 | 46,036 | 489,764 | 15,454 | 115,466 | 26,750 | 2,717 | 14,808 | 4,577 | 715,572 |
| Western HSC Trust charitable trust fund at 31 March 2017 | | | | | | | | | 0 |
| Western HSC Trust at 31 March 2016 | 46,036 | 489,764 | 15,454 | 115,466 | 26,750 | 2,717 | 14,808 | 4,577 | 715,572 |
| Western HSC Trust charitable trust fund at 31 March 2016 | 44,124 | 451,338 | 15,460 | 104,948 | 27,955 | 2,518 | 13,895 | 3,336 | 663,574 |
| Western HSC Trust at 31 March 2015 | 44,124 | 451,338 | 15,460 | 104,948 | 27,955 | 2,518 | 13,895 | 3,336 | 663,574 |
| Western HSC Trust charitable trust fund at 31 March 2015 | 42,352 | 423,451 | 14,757 | 60,389 | 25,421 | 2,913 | 16,248 | 2,088 | 587,619 |
| Western HSC Trust charitable trust fund at 31 March 2015 | | | | | | | | | 0 |
| | 42,352 | 423,451 | 14,757 | 60,389 | 25,421 | 2,913 | 16,248 | 2,088 | 587,619 |

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 6.1 Consolidated Intangible Assets – Year Ended 31 March 2017

| | Software Licences £000s | Information Technology £000s | Websites £000s | Development Expenditure £000s | Licences, Trademarks & Artistic Originals £000s | Patents £000s | Goodwill £000s | Payments on Account & Assets under Construction £000s | Total £000s |
|--|----------------------------|---------------------------------|-------------------|----------------------------------|--|------------------|-------------------|--|----------------|
| Cost or Valuation | | | | | | | | | |
| At 1 April 2016 | 3,715 | 1 | 0 | 150 | 0 | 0 | 0 | 0 | 3,866 |
| Indexations | | | | | | | | | 0 |
| Additions | 559 | | | | | | | | 559 |
| Donations / Government grant / Lottery Funding | | | | | | | | | 0 |
| Reclassifications | 146 | | | | | | | | 146 |
| Transfers | | | | | | | | | 0 |
| Revaluation | | | | | | | | | 0 |
| Impairment charged to the SoCNE | | | | | | | | | 0 |
| Impairment charged to the revaluation reserve | | | | | | | | | 0 |
| Disposals | (34) | | | | | | | | (34) |
| At 31 March 2017 | 4,386 | 1 | 0 | 150 | 0 | 0 | 0 | 0 | 4,537 |
| Amortisation | | | | | | | | | |
| As at 1 April 2016 | 1,830 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,830 |
| Indexation | | | | | | | | | 0 |
| Reclassifications | | | | | | | | | 0 |
| Transfers | | | | | | | | | 0 |
| Revaluation | | | | | | | | | 0 |
| Impairment charged to the SoCNE | | | | | | | | | 0 |
| Impairment charged to the revaluation reserve | | | | | | | | | 0 |
| Disposals | (10) | | | | | | | | (10) |
| Provided during the year | 559 | | | | | | | | 559 |
| At 31 March 2017 | 2,379 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,379 |
| Carrying Amount | | | | | | | | | |
| At 31 March 2017 | 2,007 | 1 | 0 | 150 | 0 | 0 | 0 | 0 | 2,158 |
| At 31 March 2016 | 1,885 | 1 | 0 | 150 | 0 | 0 | 0 | 0 | 2,036 |

Asset financing

| | | | | | | | | | |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Owned | | | | | | | | | 0 |
| Finance leased | | | | | | | | | 0 |
| On B/S (SoFP) PFI and other service concession arrangements contracts | | | | | | | | | |
| Carrying Amount | | | | | | | | | |
| At 31 March 2017 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 6.2 Consolidated Intangible Assets – Year Ended 31 March 2016

| | Software Licences £000s | Information Technology £000s | Websites £000s | Development Expenditure £000s | Licences, Trademarks & Artistic Originals £000s | Patents £000s | Goodwill £000s | Payments on Account & Assets under Construction £000s | Total £000s |
|---|----------------------------|---------------------------------|-------------------|----------------------------------|--|------------------|-------------------|--|----------------|
| Cost or Valuation | | | | | | | | | |
| At 1 April 2015 | 3,757 | 1 | 0 | 4 | 0 | 0 | 0 | 0 | 3,762 |
| Indexation | | | | | | | | | 0 |
| Additions | 6 | | | 146 | | | | | 152 |
| Disposals | (48) | | | | | | | | (48) |
| At 31 March 2016 | 3,715 | 1 | 0 | 150 | 0 | 0 | | | 3,866 |
| Amortisation | | | | | | | | | |
| At 1 April 2015 | 1,368 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,368 |
| Disposals | (48) | | | | | | | | (48) |
| Provided during the year | 510 | | | | | | | | 510 |
| At 31 March 2016 | 1,830 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,830 |
| Carrying Amount | | | | | | | | | |
| At 31 March 2016 | 1,885 | 1 | 0 | 150 | 0 | 0 | 0 | 0 | 2,036 |
| At 1 April 2015 | 2,389 | 1 | 0 | 4 | 0 | 0 | 0 | 0 | 2,394 |
| Asset financing | | | | | | | | | |
| Owned | 1,885 | 1 | 0 | 150 | 0 | 0 | 0 | 0 | 2,036 |
| Finance Leased | | | | | | | | | 0 |
| On B/S (SoFP) PFI and other service concession arrangements contracts | | | | | | | | | 0 |
| Carrying Amount | | | | | | | | | |
| At 31 March 2016 | 1,885 | 1 | 0 | 150 | 0 | 0 | 0 | 0 | 2,036 |
| Asset financing | | | | | | | | | |
| Owned | 2,389 | 1 | 0 | 4 | 0 | 0 | 0 | 0 | 2,394 |
| Finance leased | | | | 0 | | | | | 0 |
| On B/S (SoFP) PFI and other service concession arrangements contracts | | | | 0 | | | | | 0 |
| Carrying Amount | | | | | | | | | |
| At 1 April 2015 | 2,389 | 1 | 0 | 4 | 0 | 0 | 0 | 0 | 2,394 |

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 7 FINANCIAL INSTRUMENTS

As the cash requirements of Western 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 Trust's expected purchase and usage requirements and the Trust is therefore exposed to little credit, liquidity or market risk.

| | 2017 Investments £000s | 2016 Investments £000s |
|-----------------------------|------------------------------|------------------------------|
| Balance at 1 April | 2,107 | 2,244 |
| Additions | | |
| Disposals | | |
| Revaluations | 314 | (137) |
| Balance at 31 March | 2,421 | 2,107 |
| Trust Charitable Trust Fund | 2,421 | 2,107 |
| Total | 2,421 | 2,107 |

Note 7.1

The market value of the investments as at 31 March 2017

| | Held in UK £000s | Held Outside UK £000s | 2017 Total £000s | 2016 Total £000s |
|---|------------------------|--------------------------------|------------------------|------------------------|
| Investment properties | | | 0 | 0 |
| Investment listed on Stock Exchange | | | 0 | 0 |
| Investments in CIF | | | 0 | 0 |
| Investments in a Common Deposit Fund or Investment Fund | 2,421 | 0 | 2,421 | 2,107 |
| Unlisted securities | | | 0 | 0 |
| Cash held as part of the Investments in connected Other investments | | | 0 | 0 |
| Total market value of fixed asset investments | 2,421 | 0 | 2,421 | 2,107 |

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 8 IMPAIRMENTS

| | 2017 | | |
|--|--|----------------------|----------------|
| | Property, plant & equipment £000s | Intangibles £000s | Total £000s |
| Total value of impairments for the period | 946 | 0 | 946 |
| Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)* | 0 | 0 | 0 |
| Impairments charged / (credited) to Statement of Comprehensive Net Expenditure | 946 | 0 | 946 |

| | 2016 | | |
|---|--|----------------------|-----------------|
| | Property, plant & equipment £000s | Intangibles £000s | Total £000s |
| Total value of impairments for the period | (21,625) | 0 | (21,625) |
| (shown in Other Comprehensive Expenditure Statement) | | | |
| Impairments charged / (credited) to Statement of Comprehensive Net Expenditure | (21,625) | 0 | (21,625) |

* The Omagh Local Enhanced Hospital will come into use in the 2017/18 financial year and based on past experience of LPS valuations, it is likely that there will be an associated impairment with the opening of this facility. The LPS figures are, as yet, unavailable to ascertain the extent of this impairment.

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 9 ASSETS CLASSIFIED AS HELD FOR SALE

| | Land | | | Buildings | | | Total | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| | 2017 £000s | 2016 £000s | 2015 £000s | 2017 £000s | 2016 £000s | 2015 £000s | 2017 £000s | 2016 £000s | 2015 |
| Cost | | | | | | | | | |
| At 1 st April | 325 | 1,225 | 0 | 145 | 0 | 0 | 470 | 1,225 | 0 |
| Transfers in | 0 | 325 | 1,225 | 0 | 145 | 0 | 0 | 470 | 1,225 |
| Transfers out | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (Disposals) | 0 | (1,225) | 0 | 0 | 0 | 0 | 0 | (1,225) | 0 |
| Impairment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31st March | 325 | 325 | 1,225 | 145 | 145 | 0 | 470 | 470 | 1,225 |
| Depreciation | | | | | | | | | |
| At 1 April | | | | | | | | | |
| Transfers in | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers out | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (Disposals) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31st March | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Carrying amount at 31st March | 325 | 325 | 1,225 | 145 | 145 | 0 | 470 | 470 | 1,225 |

Non current assets held for sale comprise non current assets that are held for resale rather than for continuing use within the business.

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 10 INVENTORIES

| Classification | 2017 £000s | | | 2016 £000s | | |
|-----------------------------------|---------------|----------|--------------|---------------|----------|--------------|
| | Trust | CTF | Consolidated | Trust | CTF | Consolidated |
| Pharmacy Supplies | 2,326 | | 2,326 | 2,456 | | 2,456 |
| Theatre Equipment | 248 | | 248 | 408 | | 408 |
| Building and Engineering Supplies | 49 | | 49 | 57 | | 57 |
| Fuel | 88 | | 88 | 103 | | 103 |
| Community Care Appliances | 496 | | 496 | 1,277 | | 1,277 |
| Laboratory Materials | 369 | | 369 | 387 | | 387 |
| Stationery | 0 | | 0 | 0 | | 0 |
| Laundry | 0 | | 0 | 0 | | 0 |
| X-Ray | 30 | | 30 | 30 | | 30 |
| Stock held for resale | 4 | | 4 | 8 | | 8 |
| Orthopaedic equipment | 0 | | 0 | 0 | | 0 |
| Heat, light and power | 0 | | 0 | 0 | | 0 |
| Other | 212 | | 212 | 214 | | 214 |
| Total | 3,822 | 0 | 3,822 | 4,940 | 0 | 4,940 |

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 11 CASH AND CASH EQUIVALENTS

| | 2017 £000s | | | 2016 £000s | | |
|---|---------------|------------|--------------|---------------|--------------|--------------|
| | Core Trust | CTF | Consolidated | Core Trust | CTF | Consolidated |
| Balance at 1 st April | 4,973 | 1,438 | 6,411 | 692 | 1,535 | 2,227 |
| Net change in cash and cash equivalents | (2,553) | (439) | (2,992) | 4,281 | (97) | 4,184 |
| Balance at 31st March | 2,420 | 999 | 3,419 | 4,973 | 1,438 | 6,411 |

The following balances were held at 31st March were held at

| | 2017 £000s | | | 2016 £000s | | |
|---|---------------|------------|--------------|---------------|--------------|--------------|
| | Core Trust | CTF | Consolidated | Core Trust | CTF | Consolidated |
| Commercial banks and cash in hand | 2,420 | 999 | 3,419 | 4,973 | 1,438 | 6,411 |
| Balance at 31st March | 2,420 | 999 | 3,419 | 4,973 | 1,438 | 6,411 |

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 12 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

| | 2017 £000s | | | Consolidated | 2016 £000s | | | Consolidated |
|--|---------------|----------|--------------------------|---------------|---------------|-----------|--------------------------|---------------|
| | Trust | CTF | Consolidated Adjustments | | Trust | CTF | Consolidated Adjustments | |
| Amounts falling due within one year | | | | | | | | |
| Trade receivables | 7,307 | | | 7,307 | | | | 4,308 |
| Deposits and advances | 0 | | | 0 | | | | 0 |
| VAT receivable | 6,351 | | | 6,351 | | | | 5,708 |
| Other receivables – not relating to fixed assets | 2,841 | 7 | | 2,848 | 5,088 | 14 | (30) | 5,072 |
| Trade and other receivables | 16,499 | 7 | 0 | 16,506 | 15,104 | 14 | (30) | 15,088 |
| Prepayments and accrued income | 1,442 | | | 1,442 | 703 | | | 703 |
| Other current assets | 1,442 | 0 | 0 | 1,442 | 703 | 0 | | 703 |
| Amounts falling due after more than one year | | | | | | | | |
| Other receivables | | | | 0 | 2 | | | 2 |
| Trade and other receivables | 0 | 0 | 0 | 0 | 2 | 0 | | 2 |
| Prepayments and accrued income | 0 | 0 | | 0 | 0 | 0 | | 0 |
| Other current assets falling due after more than one year | 0 | 0 | | 0 | 0 | 0 | | 0 |
| TOTAL TRADE AND OTHER RECEIVABLES | 16,499 | 7 | 0 | 16,506 | 15,106 | 14 | (30) | 15,090 |
| TOTAL OTHER CURRENT ASSETS | 1,442 | 0 | 0 | 1,442 | 703 | 0 | | 703 |
| TOTAL INTANGIBLE CURRENT ASSETS | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| TOTAL RECEIVABLES AND OTHER CURRENT ASSETS | 17,941 | 7 | 0 | 17,948 | 15,809 | 14 | (30) | 15,793 |

The balances are net of a provision for bad debts of £2,287k (2016 £1,862k)

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 13 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

Note 13.1 Trade payables and other current liabilities

| | 2017 £000s | | | | 2016 £000s | | | |
|---|----------------|-----------|-----------------------------|----------------|----------------|-----------|-----------------------------|----------------------------------|
| | Trust | CTF | Consolidated adjustments | Consolidated | Trust | CTF | Consolidated adjustments | Consolidated (** See Note 26) |
| Amounts falling due within one year: | | | | | | | | |
| Other taxation and social security | 17,307 | | | 17,307 | 12,845 | | | 12,845 |
| Trade capital payables – property, plant and equipment | 21,522 | | | 21,522 | 19,372 | | | 19,372 |
| Trade capital payables - intangibles | | | | 0 | 0 | | | 0 |
| Trade revenue payables | 25,382 | 37 | | 25,419 | 30,855 | 56 | (30) | 30,881 |
| Payroll payables | 18,645 | | | 18,645 | 19,209 | | | 19,209 |
| Clinical negligence payables | 287 | | | 287 | 875 | | | 875 |
| VER payables | 0 | | | 0 | 0 | | | 0 |
| BSO payables | 2,167 | | | 2,167 | 1,295 | | | 1,295 |
| Trade and other payables | 85,310 | 37 | 0 | 85,347 | 84,451 | 56 | (30) | 84,477 |
| Current part of finance leases | 0 | | | 0 | | | | 0 |
| Current part of long term loans | 0 | | | 0 | | | | 0 |
| Current part of imputed finance lease element of on balance sheet (SoFP) PFI and other service concession arrangements contracts | 2,902 | | | 2,902 | 3,013 | | | 3,013 |
| Other current liabilities | 2,902 | 0 | 0 | 2,902 | 3,013 | 0 | 0 | 3,013 |
| Carbon reduction commitment | 0 | | | 0 | 0 | | | 0 |
| Intangible current liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total payables falling due within one year | 88,212 | 37 | 0 | 88,249 | 87,464 | 56 | (30) | 87,490 |
| Amounts falling due after more than one year | | | | | | | | |
| Imputed finance lease element of on balance sheet (SoFP)PFI and other service concession arrangements contracts | 125,115 | 0 | | 125,115 | 128,013 | | | 128,013 |
| Total non current payables | 125,115 | 0 | 0 | 125,115 | 128,013 | 0 | 0 | 128,013 |
| TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES | 213,327 | 37 | 0 | 213,364 | 215,477 | 56 | (30) | 215,503 |

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 13 TRADE PAYABLES AND OTHER LIABILITIES

13.2 Loans

The Trust did not have any loans payable at either 31 March 2017 or 31 March 2016.

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 14 PROMPT PAYMENT POLICY

14.1 Public Sector Payment Policy – Measure of Compliance

The Department requires that Trusts pay their non HSC trade payables 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:

| | 2017 Number | 2017 Value £000s | 2016 Number | 2016 Value £000s |
|--|----------------|------------------------|----------------|------------------------|
| Total bills paid | 196,382 | 513,746 | 171,191 | 437,672 |
| Total bills paid within 30 days of receipt of an undisputed invoice* | 182,510 | 481,679 | 160,593 | 413,450 |
| % of bills paid within 30 days of receipt of an undisputed invoice | 92.9% | 93.8% | 93.8% | 94.5% |
| <hr/> | | | | |
| Total bills paid within 10 day target | 162,636 | 447,438 | 145,473 | 389,060 |
| % of bills paid within 10 day target | 82.8% | 87.1% | 85.0% | 88.9% |

14.2 The Late Payment of Commercial Debts Regulations 2002

| | £ |
|--|-----------|
| Amount of compensation paid for payment (s) being late | 40 |
| Amount of interest paid for payment(s) being late | 40 |
| Total | 80 |

This is also reflected as a fruitless payment in the Losses and Special Payments note.

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.

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 15 PROVISIONS FOR LIABILITIES AND CHARGES- 2017

| | Pensions relating to other staff £000s | Clinical negligence £000s | Other £000s | 2017 £000s |
|---|--|---------------------------------|----------------|---------------|
| Balance at 1 April 2016 | 0 | 7,920 | 8,584 | 16,504 |
| Provided in year | 220 | 5,342 | 2,778 | 8,340 |
| (Provisions not required written back) | 0 | (657) | (492) | (1,149) |
| (Provisions utilised in the year) | (67) | (1,013) | (1,361) | (2,441) |
| Cost of borrowing (unwinding of discount) | 0 | (772) | (30) | (802) |
| At 31 March 2017 | 153 | 10,820 | 9,479 | 20,452 |

Comprehensive Net Expenditure Account charges

| | 2017 £'000s | 2016 £'000s |
|--|----------------|----------------|
| Arising during the year | 8,340 | 7,524 |
| Reversed unused | (1,149) | (3,231) |
| Cost of borrowing (unwinding of discount) | (802) | (288) |
| Total charge within operating costs | 6,389 | 4,005 |

Analysis of expected timing of discounted flows

| | Pensions relating to other staff £000s | Clinical negligence £000s | Other £000s | Total £000s |
|---|--|---------------------------------|----------------|----------------|
| Not later than one year | 10 | 2,428 | 1,239 | 3,677 |
| Later than one year and not later than five years | 42 | 8,392 | 1,556 | 9,990 |
| Later than five years | 101 | 0 | 6,684 | 6,785 |
| At 31 March 2017 | 153 | 10,820 | 9,479 | 20,452 |

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 15 PROVISIONS FOR LIABILITIES AND CHARGES- 2016

| | Pensions relating to other staff £000s | Clinical negligence £000s | Other £000s | Total £000s |
|---|--|---------------------------------|----------------|----------------|
| Balance at 1 April 2015 | 257 | 8,473 | 9,408 | 18,138 |
| Provided in year (Provisions not required written back) | 12 | 6,304 | 1,208 | 7,524 |
| (Provisions utilised in the year) | (54) | (2,842) | (335) | (3,231) |
| Cost of borrowing (unwinding of discount) | (215) | (3,750) | (1,674) | (5,639) |
| | | (265) | (23) | (288) |
| At 31 March 2016 | 0 | 7,920 | 8,584 | 16,504 |

Provisions have been made for 5 types of potential liability: Clinical Negligence, Employer's and Occupier's Liability, Early Retirement, Injury Benefit and Employment Law. The provision for Early Retirement and Injury Benefit relates to the future liabilities for the Trust based on information provided by the HSC Pension Branch. For Clinical Negligence, Employer's and Occupier's claims and Employment Law the Trust has estimated an appropriate level of provision based on professional legal advice.

Analysis of expected timing of discounted flows

| | Pensions relating to other staff £000s | Clinical negligence £000s | Other £000s | Total £000s |
|--|---|---------------------------------|----------------|----------------|
| Not later than one year | 0 | 2,871 | 1,438 | 4,309 |
| Later than one year and not later than five years | 0 | 5,049 | 1,323 | 6,372 |
| Later than five years | 0 | 0 | 5,823 | 5,823 |
| At 31 March 2016 | 0 | 7,920 | 8,584 | 16,504 |

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 16 CAPITAL COMMITMENTS

Contracted capital commitments at 31 March not otherwise included in these financial statements:

| | 2017 £000s | 2016 £000s |
|-----------------------------|-----------------------------|-----------------------------|
| Property, plant & equipment | 41,566 | 44,171 |
| | <u>41,566</u> | <u>44,171</u> |

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 17 COMMITMENTS UNDER LEASES

17.1 Operating Leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

| Obligations under operating leases comprise | 2017 £000s | 2016 £000s |
|--|-----------------------|-----------------------|
| 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 | 2017 £000s | 2016 £000s |
|--|-----------------------|-----------------------|
| Not later than 1 year | 414 | 354 |
| Later than 1 year and not later than 5 years | 1,179 | 1,250 |
| Later than 5 years | 301 | 437 |
| | 1,894 | 2,041 |

| Other | 2017 £000s | 2016 £000s |
|--|-----------------------|-----------------------|
| Not later than 1 year | 49 | 44 |
| Later than 1 year and not later than 5 years | 0 | 0 |
| Later than 5 years | 0 | 0 |
| | 49 | 44 |

17.2 Finance Leases

The Western Health and Social Care Trust had no finance leases at 31 March 2017 or 31 March 2016.

17.3 Operating Leases

The Western Health and Social Care Trust does not act as lessor and as such does not anticipate any future income for operating leases.

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 18 COMMITMENTS UNDER PFI AND OTHER SERVICE CONCESSION ARRANGEMENT CONTRACTS

18.1 Off Statement of Financial Position PFI and other service concession arrangements schemes

The Western Health and Social Care Trust has not entered into any off Statement of Financial Position PFI Schemes in 2016/2017 or 2015/2016.

18.2 On Statement of Financial Position PFI Schemes

The Trust is committed to make the following payments during the next year:

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of the service element of on-balance sheet (SoFP) PFI or other service concession transactions was £4,318k (2015-16:£4,190K). Total future obligations under on-balance sheet PFI and other service concession arrangements are given in the table below for each of the following periods:

| | 2017 £000s | 2016 £000s |
|---|----------------|----------------|
| Minimum lease payments: | | |
| Due within one year | 14,428 | 14,788 |
| Due later than one year and not later than five years | 58,362 | 58,179 |
| Due later than five years | 230,605 | 245,000 |
| Total | <u>303,395</u> | <u>317,967</u> |
| Less interest element | 175,378 | 186,940 |
| Present value | <u>128,017</u> | <u>131,027</u> |

| | 2017 £000s | 2016 £000s |
|---|----------------|----------------|
| Service elements due in future periods: | | |
| Due within one year | 4,369 | 4,308 |
| Due later than one year and not later than five years | 18,740 | 18,198 |
| Due later than five years | 124,393 | 129,179 |
| Total service elements due in future periods | <u>147,502</u> | <u>151,685</u> |
| Total Commitments | <u>275,519</u> | <u>282,712</u> |

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 19 OTHER FINANCIAL COMMITMENTS

The Trust did not have any other financial commitments at either 31 March 2017 or 31 March 2016.

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 20 FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT

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

The Trust did not have any financial instruments at either 31 March 2017 or 31 March 2016.

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 21 CONTINGENT LIABILITIES

Material contingent liabilities are noted in the table below, where there is a 50% or less probability that a payment will be required to settle possible obligations. The amounts or timing of any outflow will depend on the merits of each case.

| | 2017 | 2016 |
|----------------------|--------------|--------------|
| | £000s | £000s |
| Clinical negligence | 1,555 | 1,290 |
| Public liability | 11 | 6 |
| Employer's liability | 85 | 20 |
| Accrued leave | 0 | 0 |
| Injury benefit | 0 | 0 |
| Other | 62 | 0 |
| Total | 1,713 | 1,316 |

A new discount rate which courts must consider when awarding compensation for future financial losses in the form of a lump sum in personal injury cases came into effect in England and Wales on 20 March 2017. The Department of Justice has power to prescribe the discount rate for Northern Ireland (in consultation with the Government Actuary and Department of Finance). The discount rate is under active consideration by the Department but will require Ministerial consideration once a Minister is in post and any change would require secondary legislation. As such, it has not been possible at this time to quantify the potential impact on the Western Health and Social Care Trust of any change in the discount rate.

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 22 RELATED PARTY TRANSACTIONS

The Trust is an arm's length body of the Department of Health (DoH) and as such the DoH is a related party from which the Trust has received income during the year of £611m.

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.

Non Executive Directors

Some of the Trust's Non-Executive Directors have disclosed interests with organisations from which the Trust purchased services during 2016/17. Set out below are details of the amounts paid to these organisations. In none of the cases listed did the Non-Executive Directors have any involvement in the decisions to procure the services from the organisations concerned.

| Name and Organisation | Role | Amount paid by Trust during 2016/17 £000s | Amount paid by Trust during 2015/16 £000s |
|---|--|--|---|
| Mrs Stella Cummings (British Red Cross) | Vice President (NI) | 49 | 21 |
| Mrs Joan Doherty (Londonderry Methodist City Mission) | Company secretary | 18 (£80 was owed by WHSCT to Londonderry Methodist Mission at 31/03/17) | 20 |
| Mr Joe Campbell (SEUPB) | Independent member of the Audit Committee | 0 | 0 (SEUPB owed £694,428 to WHSCT at 31/03/2016) |
| Dr Samuel George McIlroy (Dept of Agriculture) | Sits on Advisory Board to Agriculture Minister | N/A | 1 |

Mr Niall Birthistle, Chairman (from 1st August 2016)

Mr Birthistle is a non-executive Trustee of North West Play Resource Centre. During 2016/17, the Western Health and Social Care Trust made payments of approximately £17k to North West Play Resource Centre. During 2015/16, the Western Health and Social Care Trust made payments of approximately £14k to North West Play Resource Centre.

Mr Gerard Guckian, Chairman (to 31 July 2016)

Mr Guckian's brother is the Director of Finance in the South Eastern HSC Trust. During 2016/17, the Western Health and Social Care Trust made payments of approximately £6k to and received income of £42k from the South Eastern HSC Trust for the provision of goods and services.

At 31st March 2017, the Trust was owed £11k by the South Eastern HSC Trust and owed £240 to the South Eastern HSC Trust.

During 2015/16, the Western Health and Social Care Trust made payments of approximately £44k and received income of £58k from the South Eastern HSC Trust for the provision of goods and services. At 31st March 2016, the Trust is owed £18k by the South Eastern HSC Trust and owes £5k to the South Eastern HSC Trust.

Executive Directors

Mrs Elaine Way, Chief Executive

Mrs Way is a Board Member of North West Play Resource Centre. During 2016/17, the Western Health and Social Care Trust made payments of approximately £17k to North West Play Resource Centre. During 2015/16, the Western Health and Social Care Trust made payments of approximately £14k to North West Play Resource Centre. Mrs Way had no involvement in the decisions to procure the services from North West Play Resource Centre.

Mr Alan Corry Finn, Director of Primary Care and Older People

Mr Corry Finn is Vice President of NI Hospice. During 2016/17 the Trust made payments of £215,874 to NI Hospice. During 2015/16, the Trust made payments of £178,777 to NI Hospice.

Other Senior Managers

Some other senior managers have disclosed interests in organisations from which the Trust purchased services in 2016/17. The details are set out below. The officers listed had no involvement in the decisions to procure the services from the organisations concerned.

Mr John McGarvey, Assistant Director, Primary Care and Older People

Mr McGarvey is a Representative Governor with Education Authority for St Patrick's School, Gortin.

Mr Seamus Wade, Assistant Director, Finance

Mr Wade is a member of the Board of Governors at St Columba's Long Tower Primary School. (Education Authority)

During 2016/17, the Trust made payments to the Education Authority of £28,834. At 31st March 2017 the Trust was owed £2,029 from the Education Authority. During 2015/16, the Trust made payments to WELB (prior to Education Authority) of £53,446 and received £28,585 from WELB. At 31st March 2016 the Trust was owed £8,618 from WELB.

Mrs Rosaleen Harkin, Assistant Director Adult Mental Health and Disability Services Directorate

Mrs Harkin is married to the manager of Action Mental Health, New Horizons, an organisation which provides a range of day care and other services to Trust clients. During 2016/17 the Trust made payments of £490,669 to the organisation. During 2015/16 the Trust made payments of £455,256 to Action Mental Health and owed £4,190 to Action Mental Health, New Horizons at 31/03/2016.

Mrs Vivien Coates, Assistant Director

Mrs Coates is a Professor of Clinical Nursing Practice with Florence Nightingale Foundation with the University of Ulster. During 2016/17, the Trust made payments to University of Ulster of £150,349 and received income of £145,773. The Trust owed £2,913 to the University of Ulster and was owed £13,504 as at 31 March 2017.

During 2015/16, the Trust made payments to University of Ulster of £112,134 and received income of £82,398 and was owed £35,430 as at 31 March 2016.

Mrs Deirdre Mahon, Assistant Director Safeguarding

Mrs Mahon is an Associate with Leonard Consultancy. During 2016/17, the Trust made payments to Leonard Consultancy of £13,200. During 2015/16, the Trust made payments to Leonard Consultancy of £1,250.

Mr Charles Mullan, Divisional Clinical Director Diagnostics

Mr Mullan is an honorary lecturer with Queens University of Belfast. During 2016/17, the Trust made payments to Queens University of Belfast of £23,086 and was owed £2,059 as at 31 March 2017. During 2015/16, the Trust made payments to Queens University of Belfast of £997 and received income of £22,871.

Mrs Ann McDuff, Assistant Director Community and Public Health

Mrs McDuff is a Director of Bogside and Brandywell Health Forum. During 2016/17, the Trust made payments to Bogside and Brandywell Health Forum of £34,218.

Mrs Ann Witherow, Assistant Director Nursing

Mrs Witherow is a Trust Board Member of NI Hospice. During 2016/17, the Trust made payments to NI Hospice of £215,874.

Mr Mark Gillespie, Assistant Director, Acute Services

Mr Gillespie is a Board member of Apex Housing. During 2016/17 the Trust made payments to Apex Housing of £3,548,747 and received income of £9,226. The Trust was owed £2,853 by Apex Housing at 31 March 2017.

Mrs Christine McLaughlin, Head of Service

Mrs McLaughlin is an Executive Committee member of NIACRO. During 2016/17, the Trust made payments to NIACRO of £9,895.

Mr Lee McDermott, Head of Service

Mr McDermott is a Non Executive Director of Foyle Child Contact Centre. During 2016/17, the Trust made payments to Foyle Child Contact Centre of £41,757.

Mr Albert McNeill, Consultant

Mr McNeill is a Board Member of RCP. During 2016/17, the Trust made payments to RCP of £9,150.

Mr Neil McCluney, Consultant

Mr McCluney is a private medical practitioner with North West Independent Clinic. During 2016/17, the Trust made payments to North West Independent Clinic of £1,224,121 and received income of £175,989. At 31 March 2017 the Trust was owed £25,028 by North West Independent Clinic.

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 23 THIRD PARTY ASSETS

The assets held at 31 March 2017 to which it was practical to ascribe monetary values comprised £2,974k. They are set out in the table below. This has been excluded from cash at bank and in hand amounts reported in the accounts. A separate audited account of these monies is maintained by the Trust.

| | 2017 Total £000s | 2016 Total £000s |
|---|---------------------------------|---------------------------------|
| Monetary assets such as bank balances and monies on deposit | 2,974 | 2,129 |
| Listed securities | | |
| Other | | |
| Total | <hr/> 2,974 | <hr/> 2,129 |

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 24 FINANCIAL PERFORMANCE TARGETS

24.1 Revenue Resource Limit

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

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

| | 2017 Total £000s | 2016 Total £000s |
|---|---------------------------------|---------------------------------|
| HSCB | 560,107 | 531,044 |
| PHA | 6,779 | 6,282 |
| SUMDE & NIMDTA | 5,848 | 5,497 |
| DoH (excludes non cash) | 0 | 0 |
| Other Government Departments | 0 | 0 |
| Non cash RRL (from DoH) | 37,703 | 23,155 |
| | <hr/> | <hr/> |
| Total Agreed RRL | 610,437 | 565,978 |
| Adjustment for income received re donations / government grant / lottery funding for non-current assets | (7,891) | (5,852) |
| Adjustment for PFI and other service concession arrangements/IFRIC12 | 448 | (8,939) |
| Adjustment for Research and Development under ESA10 | (79) | |
| | <hr/> | <hr/> |
| Total Revenue Resource Limit to Statement Comprehensive Net Expenditure | 602,915 | 551,187 |
| | <hr/> <hr/> | <hr/> <hr/> |

24.2 Capital Resource Limit

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

| | 2017 Total £000s | 2016 Total £000s |
|--|---------------------------------|---------------------------------|
| Gross Capital Expenditure | 69,956 | 63,696 |
| Less charitable trust fund capital expenditure | 0 | 0 |
| Less IFRIC 12/PFI and other service concession arrangements spend | (699) | (92) |
| (Receipts from sales of fixed assets) | (88) | (1,231) |
| Net capital expenditure | 69,169 | 62,373 |
| Capital Resource Limit | 69,169 | 62,374 |
| Adjustment for Research and Development under ESA10 | | |
| | <hr/> | <hr/> |
| Overspend/(Underspend) against CRL | 0 | (1) |
| | <hr/> <hr/> | <hr/> <hr/> |

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 24 FINANCIAL PERFORMANCE TARGETS

24.3 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.

| | 2016/17 £000s | 2015/16 £000s |
|--|------------------|------------------|
| Net Expenditure | (602,840) | (551,150) |
| RRL | 602,915 | 551,187 |
| Surplus / (Deficit) against RRL | 75 | 37 |
| Break even cumulative position (opening) | (8,439) | (8,476) |
| Break even cumulative position (closing) | (8,364) | (8,439) |

Materiality Test:

| | 2016/17 % | 2015/16 % |
|--|--------------|--------------|
| Break even in year position as % of RRL | 0.01% | 0.01% |
| Break even cumulative position as % of RRL | -1.39% | -1.53% |

WESTERN HEALTH AND SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 25 POST BALANCE SHEET EVENTS

There are no post balance sheet events having a material effect on the accounts.

NOTE 26 DATE AUTHORISED FOR ISSUE

The Accounting Officer authorised these financial statements for issue on 8th June 2017.

WESTERN HEALTH AND SOCIAL CARE TRUST
PATIENTS'/RESIDENTS' MONIES ACCOUNTS
YEAR ENDED 31 MARCH 2017

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

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

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

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

I certify that I have audited Western Health and Social Care Trust's account of Monies held on behalf of Patients and Residents for the year ended 31 March 2017 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

Respective responsibilities of the Trust and auditor

As explained more fully in the Statement of Trust Responsibilities in relation to Patients' and Residents' Monies, the Trust is responsible for the preparation of the account in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health directions made thereunder. My responsibility is to audit, certify and report on the account in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the account

An audit involves obtaining evidence about the amounts and disclosures in the account sufficient to give reasonable assurance that the account is free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Western Health and Social Care Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Western Health and Social Care Trust; and the overall presentation of the account. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Patients' and Residents' Monies account and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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.

Opinion on Regularity

In my opinion, in all material respects the financial transactions recorded in the account conform to the authorities which govern them.

Opinion on account

In my opinion:

- the account properly presents the receipts and payments of the monies held on behalf of the patients and residents of Western Health and Social Care Trust for the year ended 31 March 2017 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.

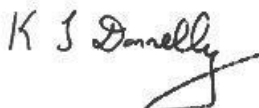
Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the account is not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with Department of Finance's guidance.

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

27 June 2017

WESTERN HEALTH AND SOCIAL CARE TRUST

YEAR ENDED 31 MARCH 2017

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

| Previous Year (restated) | <u>RECEIPTS</u> | | | |
|--------------------------|--|-----------------------|-----------|-------------------------|
| £ | Balance at 1 April 2016 | | £ | £ |
| 2,096,690 | 1. | Investments (at cost) | 1,977,922 | |
| 110,951 | 2. | Cash at Bank | 142,646 | |
| 10,050 | 3. | Cash in Hand | 9,350 | 2,129,918 |
| *758,973 | Amounts received in the year | | | 841,165 |
| 5,733 | Interest Received | | | 3,237 |
| <u>2,982,397</u> | TOTAL | | | <u>2,974,320</u> |
| | <u>PAYMENTS</u> | | | |
| *852,479 | Amounts paid to or on behalf of Patients/Residents | | | 676,372 |
| | Balance at 31 March 2017 | | | |
| 1,977,922 | 1. | Investments (at cost) | 2,034,160 | |
| 142,646 | 2. | Cash in Bank | 254,038 | |
| 9,350 | 3. | Cash in Hand | 9,750 | 2,297,948 |
| <u>2,982,397</u> | TOTAL | | | <u>2,974,320</u> |

| Cost Price | Schedule of investments held at 31 March 2017 | Nominal Value | Cost Price |
|------------|---|---------------|------------|
| £ | Investment | £ | £ |
| 1,977,922 | Bank of Ireland | 2,034,160 | 2,034,160 |

Previous year amounts received and amounts paid were both reduced by £504,243. This adjustment had no overall impact on the balance of patient's and resident's monies held at 31 March 2016.

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

Rodney Mitchell

Director of Finance:

Date: 08/06/2017

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

Carrie Day

Chief Executive:

Date: 08/06/2017

