



Staffordshire and
Stoke on Trent Partnership
NHS Trust

Annual Report and Accounts

For the year ended 31 March 2018

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2017/18 represents the last full financial year of operation for Staffordshire and Stoke on Trent Partnership NHS Trust, following the successful acquisition of the Trust by South Staffordshire and Shropshire Healthcare NHS Foundation Trust and the formation of Midlands Partnership Trust NHS Foundation Trust with effect from 1st June 2018.

We would like to thank all of our staff, service users, patients, volunteers and partners for working together to enable the success of our predecessor and our new organisation.

Performance Report

An Overview

Statement from our Chief Executive and Chairman

We are pleased to present the Staffordshire and Stoke on Trent Partnership NHS Trust Annual Report and Accounts for the year ended 31 March 2018.

The last 12 months has been a notable period for the Trust as work has been ongoing towards formally joining together with South Staffordshire and Shropshire Healthcare NHS Foundation Trust to become one organisation.

While that work has been taking place, our staff have continued to work incredibly hard to provide excellent services for the communities we serve in what has been another challenging year for the health and social care system in Staffordshire and Stoke-on-Trent.

We have delivered almost two million interactions with local people who use our services and we are pleased to report high levels of patient satisfaction from service users and carers.

We would like to take this opportunity to thank all our staff for their commitment and determination to do their best for their patients and service users.

We are also pleased to report the significant strides that have been made to improve the Trust's financial situation from where we were 12 months ago which has involved a huge amount of hard work by everyone.

The Trust continues to play an integral role in the health and care economy of Staffordshire and Stoke-on-Trent through the region's Sustainability and Transformation Partnership (STP) "Together We're Better" programme.

It is more important than ever that we are a strong and effective partner in the local health and social care system and we are proud of the contribution we are making to the STP's vision that both the city and county will be vibrant, healthy and caring places where people will be as independent as possible and able to live happy and healthy lives, getting high quality health and care support when required.

As we hopefully begin our journey as a new organisation in 2018/19 with an even greater scope and ability to support this vision, we will aim to ensure we work together with all our partners to achieve these goals.

David Pearson MBE

Chairman

Neil Carr

Chief Executive



Who we are and our services

The Partnership Trust is an integrated health and adult social care community services provider located within the geographical boundaries of Staffordshire County Council and Stoke-on-Trent City Council and serves a population of 1.1 million people, employing around 4,300 people.

What we do

We provide a vast range of community services such as district nursing, health visiting, adult social care and specialised services such as rheumatology and rehabilitation; delivered in venues ranging from health centres, GP practices, community hospitals and people's homes. We also provide sexual health services to the people of Leicester, Leicestershire and Rutland.

A key focus for the NHS nationally and locally remains a reduction in avoidable hospital admissions. When a stay in hospital is required, the aim is to make it as short as possible, while not undermining patient safety. As the main provider of community care in Staffordshire and Stoke-on-Trent our role is central to this.

The Trust works with GP partners and colleagues at University Hospitals of North Midlands NHS Trust and Burton Hospitals NHS Foundation Trust to support this shift from hospital care to community care, which is a challenging task given the ever-increasing pressures on the urgent care system.

Central to this is our Home First team which works both with the acute hospital at the front door to try to avoid unnecessary admissions and co-ordinates people's discharge from hospital, determining what care and support they need, and making sure it is in place.

Core services during 2017/18

- **Adult services** – district nursing, community rehabilitation, community matrons, community hospital care, dietetics, intermediate care, palliative and end of life care, long term condition specialist nursing, physiotherapy, occupational therapy, podiatry, speech and language therapy.
- **Adult social care (county only)** – reablement, occupational therapy, assessment and case management.
- **Children's services** – school nursing, health visiting, paediatric Hospital@Home, school age immunisation, palliative and complex care, physiotherapy, occupational therapy, speech and language therapy, dietetics, community offender health.
- **Specialist services** – adults with developmental disabilities, dental care, specialist falls, rheumatology, neuro-rehabilitation, respiratory, interdisciplinary chronic pain management, musculoskeletal, women's health, occupational physiotherapy, stroke and early supported discharge and sexual health covering North Staffordshire, Stoke-on-Trent, Leicestershire and Rutland

Our vision

We will deliver personalised care of the highest quality,
with the best outcomes for users and carers,
empowering them to remain independent

Our vision is underpinned by three values;



We Put
Quality First



We Focus
on People



We Take
Responsibility

During the year, we had **two strategic goals** and **eight objectives**:

Improving quality	Improving efficiency
To be recognised by CQC as good or outstanding	Return the Trust to financial balance safely
Integrating community services with local care hubs	Play a lead role in the Sustainability and Transformation Partnership (STP)
Transforming adult social care	Fully implement IT solutions to improve care
To continue to improve our staff survey results	Re-design our services to meet the changing needs of our commissioners



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We Take
Responsibility

Key issues for our strategic objectives

The Trust Board is responsible for determining and monitoring the Trust's overall strategy and at the start of each financial year sets strategic objectives that are aimed at moving the organisation closer towards achieving its vision.

Key challenges affecting the organisation's ability to meet its strategic objectives during 2017/18 were the delivery of the Trust's Cost Improvement Programme (CIP) and financial recovery; demand on capacity across the entire local health and social care system, particularly during the winter and the implementation of the new Section 75 agreement, which saw a number of significant changes for social care staff and services during 2017/18.

Finally, the Trust has embarked on a robust transaction process to merge with South Staffordshire and Shropshire Healthcare NHS Foundation Trust to bring together physical health and mental health. A considerable amount of resource regarding skill set and capacity is required to support the ongoing transaction process. This is being consistently reviewed and monitored to ensure that business as usual is safe and effective across the organisation.



Performance Summary

During the period of April 2017 to March 2018, the Trust delivered the following volumes of activity:

Setting	2017/18 YTD
Health face to face contacts	1.75 million
Outpatients – new appointments	35,000
Outpatients – follow up appointments	60,000
Day Cases	4,000
Hospital admissions avoided	2,529



Performance at a glance

How we measure performance

The Trust uses a comprehensive set of indicators to monitor performance and manage service improvement. These indicators include national, contractual, and internal metrics and targets, which cover the core service dimensions of operations, quality, finance and workforce.

Performance is reported and discussed at team, area, division, committee, and Trust Board level. This generates a constant flow of business intelligence that enables the early detection and correction of emerging performance concerns. Performance improvement plans are produced for indicators reported below target, and where business intelligence provides an early warning that performance may deteriorate.

Robust data quality is essential for performance management. The Trust has a Data Quality Policy, and undertakes data quality assessments, leading to data quality improvement plans where issues are identified.

Performance data is also used to improve value for money. Demand and capacity analysis exercises enable the Trust to identify shifts in demand pressures, informing optimal deployment of resources.



Key performance indicators

2017/18 YTD data from the period of April to March 2018 unless otherwise stated

Indicator	Outturn 2016/17	Outturn 2017/18	Target	
Complaints Acknowledged Within 72 Hours of Receipt	100%	100%	100%	✓
Complaints Closed within Timescales in Accordance with the National NHS Complaint Regulations	100%	100%	100%	✓
Customer Overall Satisfaction (Extremely satisfied at all times) with the Care and Support Experience with Social Care	77%	68%	72%	✗
Family and Friends Test Score	97%	98%	90%	✓
Family and Friends Test. Number of people responding	34,760	30,951	-	
Number of Serious Incidents	46	28	-	✓
Incidents Reported Applicable to the Partnership Trust Care	8,672	9,343	-	
Reported incidents classified as serious incidents	0.53%	0.30%	-	✓
Number of Serious Incident Pressure Ulcers Deemed Avoidable Following Root Cause Analysis (RCA) Review Panel	27	23	-	✓
Serious Incident Falls Reported Through National Reporting System Resulting in Severe Injury or Death	8	3	-	✓
Outstanding Alerts (more than 3 months old reported through the Central Alerting System)	0	0	-	✓
Mixed Sex Accommodation: Single Sex Number of Breaches	0	0	-	✓

Number of Never Events	0	0	0	✓
Clostridium Difficile - number of avoidable incidents cumulative	1	3	<10	✓
Methicillin-Resistant Staphylococcus Aurous (MRSA) Bacteraemia (number of incidents within 1 month / Hospital associated)	0	0	-	✓
Methicillin-Resistant Staphylococcus Aurous (MRSA) Screening on Admission (% screened on elective admission)	99.2%	100.0%	95%	✓
Methicillin-Sensitive Staphylococcus Aureus (MSSA) (No of cases hospital associated)	2	1	-	✓
Social Care Safeguarding Cases for which Outcomes Were Fully or Partially Achieved	95.3%	96.3%	78%	✓
Delayed Transfers of Care Community Hospitals within the Trust (percentage of occupied bed days) - Overall Trust Percentage	13.6%	18.2%	-	✗
Average Length of Stay (ALOS) (Community Hospitals Median)	15	22	<23 days	✓
Patients on Incomplete Consultant-Led Pathways Waiting Less Than 18 Weeks	98.0%	98.0%	92%	✓
Therapies - Percentage of Patients Treated Within 18 Weeks from Referral to Treatment	99.3%	99.8%	95%	✓
Patients Receiving a Diagnostic Scan Within 6 Weeks of Referral	100%	100%	99%	✓
Waiting time from assessment start to assessment completion: percentage completed within 4 weeks	76.3%	83.2%	77%	✓
Long stay residential care permanent admissions: Older people aged 65+	597.1	541.1	<586	✓

People receiving reablement in the year, where the immediate outcome was no support or low level support	65.6%	74.4%	63%	✓
Older People still at home 91 days after discharge from hospital into reablement	87.5%	90.8%	85%	✓
Clients in receipt of long term support for over 12 months who have received a review	n/a	74.0%	80%	✗
New Born children that Receive a Face to Face New Birth Visit within 10-14 Days by a Health Visitor	84.7%	96.0%	95-98%	✓
Children who Received a 12 month review within 15 months	93.3%	85.0%	95-98%	✗
Children who Received a 2 - 2.5 Year Review	87.8%	82.0%	95-98%	✗

Summary of 2017/18 performance for national and local contractual targets

Health

- The target for referral to treatment timescales within 18 weeks were achieved
- The median average length of stay at community hospitals has increased from 15 days to 22 days against a target of 23. Delayed transfers of care also increased - from 13.6% to 18.2% - as a percentage of the Trust's total occupied bed days
- During 2017/18 YTD the Trust has had:
 - 0 outstanding alerts
 - 0 single sex accommodation breaches
 - 0 never events
 - 3 avoidable Clostridium Difficile cases against a maximum target of 10
 - 0 MRSA incidents
- The 95-98% targets for Health Visiting have only been partially achieved

Social Care

- 85.7% of social care assessments were completed within four weeks against a target of 75%
- 74.0% of clients receiving long-term support at any point in the year had an annual review, behind the target of 80%
- The proportion of people not needing ongoing support immediately after a reablement intervention improved in 2017/18 from 65.6% to 74.4% against a target of 63%
- The proportion of older people staying at their own home (with or without support) 91 days after hospital discharge involving reablement improved from 87.5% to 90.8% (85% target)

What our patients, service users and carers say

The Trust received feedback from 32,751 service users and carers in 2017/2018. The 2017/2018 number of people responding to the Trust's Family and Friends test was 30,951 which is a 11% (3809) decrease compared to the previous reporting year (34,760).

During 2017/2018, 98% of service users and 97% of carers said they would recommend the Trust's services to a friend or family member.

480 suggestions of improvement from our service users and carers have been implemented and closed as actions of improvement by the Trust's health and social care teams.

All actions of improvement have been developed monthly by team leaders in the Operational Division. All actions have been shared and published on the Trust's website, noticeboards and in the team portfolios which are kept in public areas.

Complaints and compliments

Between April 2017 and March 2018, the Trust received 133 formal complaints, along with 1,728 Patient Advice and Liaison Service (PALS) enquiries and 11,638 compliments.

Three complaints were referred to the Parliamentary and Health Service Ombudsman (PHSO). Two cases were carried over from the previous year 2016/2017, one case closed in July which was withdrawn and the other case closed in September 2017 the outcome was not upheld. The Trust also received the outcome of one case which has been reviewed by the PHSO in 2017/18, this case was not upheld.

The Trust is awaiting the outcome of the ombudsman's investigation into two complaints referred in 2017/2018; these will be carried forward to next year.

Nine social care complaints were referred to the Local Government Ombudsman (LGO) in 2017/2018. The Trust has received the outcome of two cases which have been reviewed by the LGO in 2017/18, both cases were upheld.

The Trust is awaiting the outcome of the ombudsman's investigation into seven complaints; these will be carried forward to next year.

Month by Month Review of the Year

April 2017

April saw the Trust sign a contract with Staffordshire County Council for the **provision of adult social care** for another three years. This enables us to continue the journey of integration that we started in 2012.

The **Keele Medical School Quality Assurance (QA) visit** took place at the beginning of the month and the Trust received outstanding feedback.



May 2017

The Trust recognised members of staff who have gone above and beyond at the **Celebrating Excellence Awards ceremony** held at Staffordshire County Showground. The Living Independently Staffordshire (LIS) teams were presented with a special recognition Chairman and Chief Executive Award after their receiving a rate of 'good' by the CQC.



There were celebrations to mark **International Nurses' Day 2017** as members of staff from the Trust came together to share why they are proud to be and work with nurses.



The **High Intensity Users (HIU) Project**, delivered by a joint multi-disciplinary team from the Trust and University Hospitals of North Midlands NHS Trust, received national recognition with a nomination at the **HSJ Value Awards in May**. The project was launched in 2016 to help patients who are admitted to hospital on multiple occasions and have stays of over 40 days.

June 2017

The **Community Research Team** held a variety of promotional events across the Trust and in the local community during June to encourage members of the public to get involved with clinical research projects.

Staff responded to two major incidents with great professionalism and compassion. Firstly, the **cyber-attack** which affected organisations worldwide including the NHS and then a **fire at the Royal Stoke Hospital**.



July 2017

Neil Carr joined the Trust as Chief Executive in a joint position alongside his Chief Executive role at South Staffordshire and Shropshire Healthcare NHS Foundation Trust (SSSFT).

The Trust's **Children's Community Offender Health Team** were shortlisted in the **Innovator/Innovative Team of the Year** category of the West Midlands Academic Health Science Networks (WMAHSN's) second annual **Celebration of Innovation Awards**.

August 2017

The **Royal Marsden Manual of Clinical Nursing Procedures** was launched as an online resource called 'The Royal Marsden Manual Online' (RMMO), and made available to all health and social care staff across the Trust to improve best practice.



September 2017

The **Leading with Compassion** scheme, which is run across the local health care system and encourages staff, patients and carers to nominate anyone who they believe have demonstrated leading with compassion in action, was shortlisted for the **Kate Granger Awards for Compassionate Care**.

Over 80 people attended the Trust's **Sign Up to Safety Day** which was held to coincide with the national Sign Up to Safety campaign. The day was a triumph as it successfully increased the profile of falls prevention, awareness and management.



The Trust's **Annual General Meeting (AGM)** took place at Rising Brook Conference Centre in Stafford. There were a variety of stakeholders from various organisations from across Staffordshire and Stoke-on-Trent in attendance and a large array of market stalls made up of services from across the Trust.

The event was an opportunity to look back at the achievements made by the Trust as well as the challenges which we have faced. In addition, the AGM was used as a positive change to look forward at our objectives for next year and beyond.





October 2017

The Trust's **Our Health 5-19** school nursing team marked **Restart a Heart Day** with a CPR session for Year 8 pupils at St Joseph's College in Stoke-on-Trent. The team has completed two years of sessions to Year 7 and 8 pupils, covering thousands of pupils at all fourteen high schools across Stoke-on-Trent.



The District Nursing **Caseload Review Tool** was awarded first prize and praised for its innovation at the **Queen's Nursing Institute (QNI) Annual Conference**.

A series of engagement sessions began with staff across SSOTP and SSSFT to help them shape the future of physical and mental health services as the transition process to merging both organisations began to build traction following the announcement of an enhanced partnership in March 2017.



November 2017

The Trust was announced as runner-up in the 'Speaking up Together' category at the first ever **Freedom to Speak Up Awards** hosted by the National Guardian's Office.

The **High Intensity Users (HIU) Project** received its second major national awards nomination of the year at the **HSJ Awards 2017**.

The Trust was awarded the **Children and Young People's Health and Wellbeing programme (0-19)** contract by Staffordshire County Council. The new service is tailored to meet the needs of modern families in Staffordshire and brings school nursing and health visiting services together.

December 2017

Children's charity **UNICEF** reaccruited the **Health Visiting service** as '**baby friendly**' in recognition of best practice and excellent standards of care delivered to parents and babies.

The Trust joined forces with partner organisations across the local health and social care system to launch the online '**What's Your Emergency**' campaign to encourage members of the public to use the most appropriate care service for their need. The video and social media campaign included a wide range of staff from a variety of different professions.

January 2018

Like much of the NHS, the Trust was under significant demand during the winter months. However, in January the Trust supported the local health and social care system by opening **Brighton House** as a 25 bed short stay inpatient facility and reopening **Jackfield Ward** at Haywood Hospital.

February 2018

The Trust was commissioned to deliver free education sessions for people in Stoke-on-Trent and Staffordshire who have Type 2 diabetes. The **'My Diabetes' sessions** proactively help people to better manage their condition and understand the implications to their lifestyles.

March 2018

The **District Nurse Caseload Review Tool** was shortlisted for another prestigious award in healthcare; a **HSJ Value Award**. The project team went on to present the tool to a judging panel in London and will attend the award official award ceremony later in the year.

'Stoke Speaks Out' a city wide and multi-agency initiative led by Clinical Lead Speech and Language Therapist, Janet Cooper and her team of Speech and Language Therapists celebrated after winning the **SLCN Innovation of the Year Award** and the **Pearson Outstanding Achievement Award** at the national **Shine a Light Awards 2018**.

In addition, the initiative has also been nominated in the **2018 Advancing Healthcare Awards UK** in the **Contributions to Public Health** category.



Sustainability Report

Note: 2016/17 figures are the most up to date available for the sustainability report.

Introduction

As an NHS organisation, and as a spender of public funds, we have an obligation to work in a way that has a positive effect on the communities we serve. Sustainability means spending public money well, the smart and efficient use of natural resources and building healthy, resilient communities. By making the most of social, environmental and economic assets we can improve health both in the immediate and long term even in the context of rising cost of natural resources. Demonstrating that we consider the social and environmental impacts ensures that the legal requirements in the Public Services (Social Value) Act (2012) are met.

We acknowledge this responsibility to our patients, local communities and the environment by working hard to minimise our footprint.

As a part of the NHS, public health and social care system, it is our duty to contribute towards the level of ambition set in 2014 of reducing the carbon footprint of the NHS, public health and social care system by 34% (from a 1990 baseline) equivalent to a 28% reduction from a 2013 baseline by 2020. It is our aim to meet this target by reducing our carbon emissions 28% by 2020 using 2013 as the baseline year.

Policies

In order to embed sustainability within our business it is important to explain where in our process and procedures sustainability features.

Area	Is sustainability considered?
Travel	No
Business Cases	No
Procurement (environmental)	Yes
Procurement (social impact)	Yes
Suppliers' impact	Yes

One of the ways in which an organisation can embed sustainability is through the use of a Sustainable Development Management Plan (SDMP). We will be putting together an SDMP in the near future for consideration by the board.

As an organisation that acknowledges its responsibility towards creating a sustainable future, we help achieve that goal by running awareness campaigns that promote the benefits of sustainability to our staff.

Climate change brings new challenges to our business both in direct effects to the healthcare estates, but also to patient health. Examples of recent years include the effects of heatwaves, extreme temperatures and prolonged periods of cold, floods, droughts etc. The organisation has identified the need for the development of a board approved plan for future climate change risks affecting our area. We have not assessed the social and environmental impacts for the trust.

<https://www.staffordshireandstokeontrent.nhs.uk/Modern%20Slavery%20Statement%20Annual%20Statement%202017-18.pdf>

Organisation

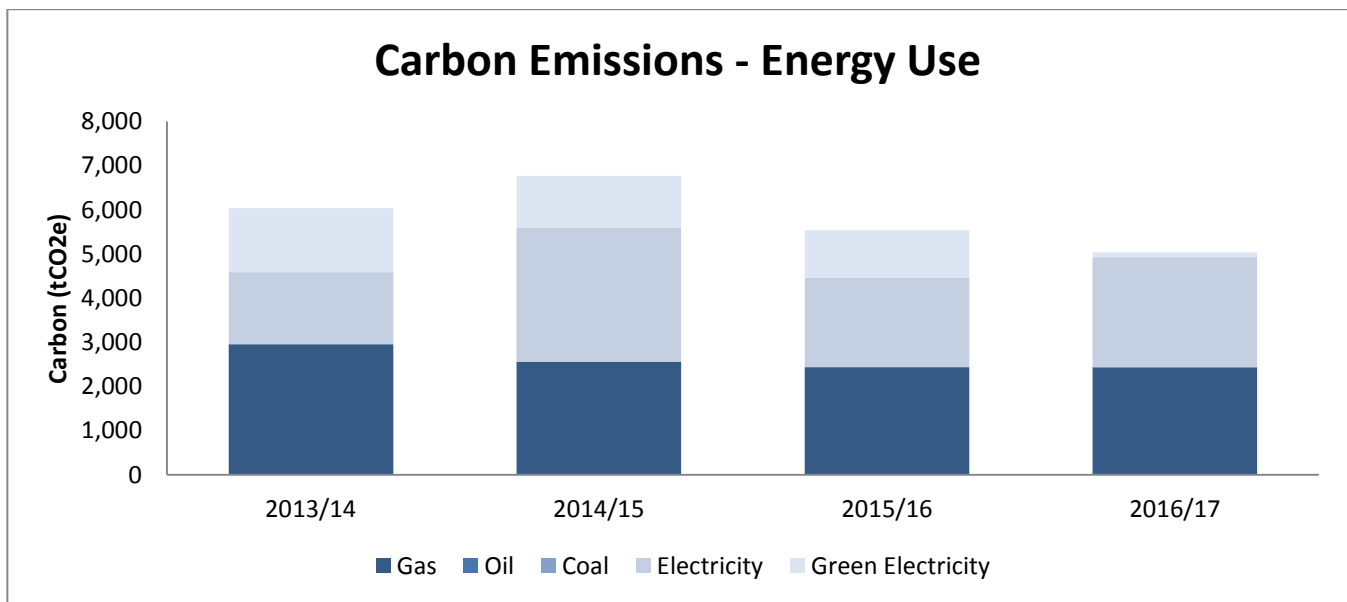
Since the 2007 baseline year, the NHS has undergone a significant restructuring process and one which is still on-going. Therefore in order to provide some organisational context, the following table may help explain how both the organisation and its performance on sustainability has changed over time.

Context info	2013/14	2014/15	2015/16	2016/17
Floor Space (m ²)	60,298	73,565	66,168	62,964
Number of Staff	4,734	6,050	6,000	4,745

In 2014 the Sustainable Development Strategy outlined an ambition to reduce the carbon footprint of the NHS by 28% (from a 2013 baseline) by 2020. We have supported this ambition as follows:

Energy

Staffordshire and Stoke on Trent Partnership NHS Trust has spent £807,973 on energy in 2013/14, which is a 27.6% decrease on energy spend from last year



Resource		2013/14	2014/15	2015/16	2016/17
Gas	Use (kWh)	13,909,186	12,180,461	11,553,730	11,636,233
	tCO ₂ e	2,951	2,555	2,418	2,432
Oil	Use (kWh)	3,647	3,647	73,232	7,544
	tCO ₂ e	1	1	23	2
Coal	Use (kWh)	0	0	0	0
	tCO ₂ e	0	0	0	0
Electricity	Use (kWh)	2,915,743	4,912,311	3,505,881	4,826,109
	tCO ₂ e	1,633	3,042	2,016	2,494
Green Electricity	Use (kWh)	3,253,950	2,356,707	2,335,360	210,753
	tCO ₂ e	1,450	1,165	1,079	109
Total Energy CO₂e		6,034	6,764	5,536	5,037
Total Energy Spend		£ 1,330,834	£ 1,166,187	£ 843,926	£ 807,973

Performance

Our performance so far has been largely as a result of reducing our overall footprint and investing in energy saving as part of ongoing capital schemes rather than a direct capital programme purely around reducing energy usage. This will follow once we have reduced our Estate to a sustainable level and prioritised retained sites for most efficient return on investment.

0% of our electricity use comes from renewable sources.

Commentary

We are due to merge with another Trust in June 2018 and this will afford other rationalisation opportunities and shared locations, some of which are already being planned. Where this requires investment we will build in effective energy reduction measures as part of those schemes.

Travel

We can improve local air quality and improve the health of our community by promoting active travel – to our staff and to the patients and public that use our services.

Every action counts and we are a lean organisation trying to realise efficiencies across the board for cost and carbon (CO₂e) reductions. We support a culture for active travel to improve staff wellbeing and reduce sickness. Air pollution, accidents and noise all cause health problems for our local population, patients, staff and visitors and are caused by cars, as well as other forms of transport.

Category	Mode	2013/14	2014/15	2015/16	2016/17
Patient and visitor Travel	miles	0	0	0	0
	tCO ₂ e	0.00	0.00	0.00	0.00
Business Travel and fleet	miles	0	0	0	1,000
	tCO ₂ e	2,722.67	2,747.57	2,736.61	0.36
Staff commute	miles	4,346,415	5,811,736	5,763,705	4,558,130
	tCO ₂ e	1,605.88	2,135.40	2,084.36	1,647.36

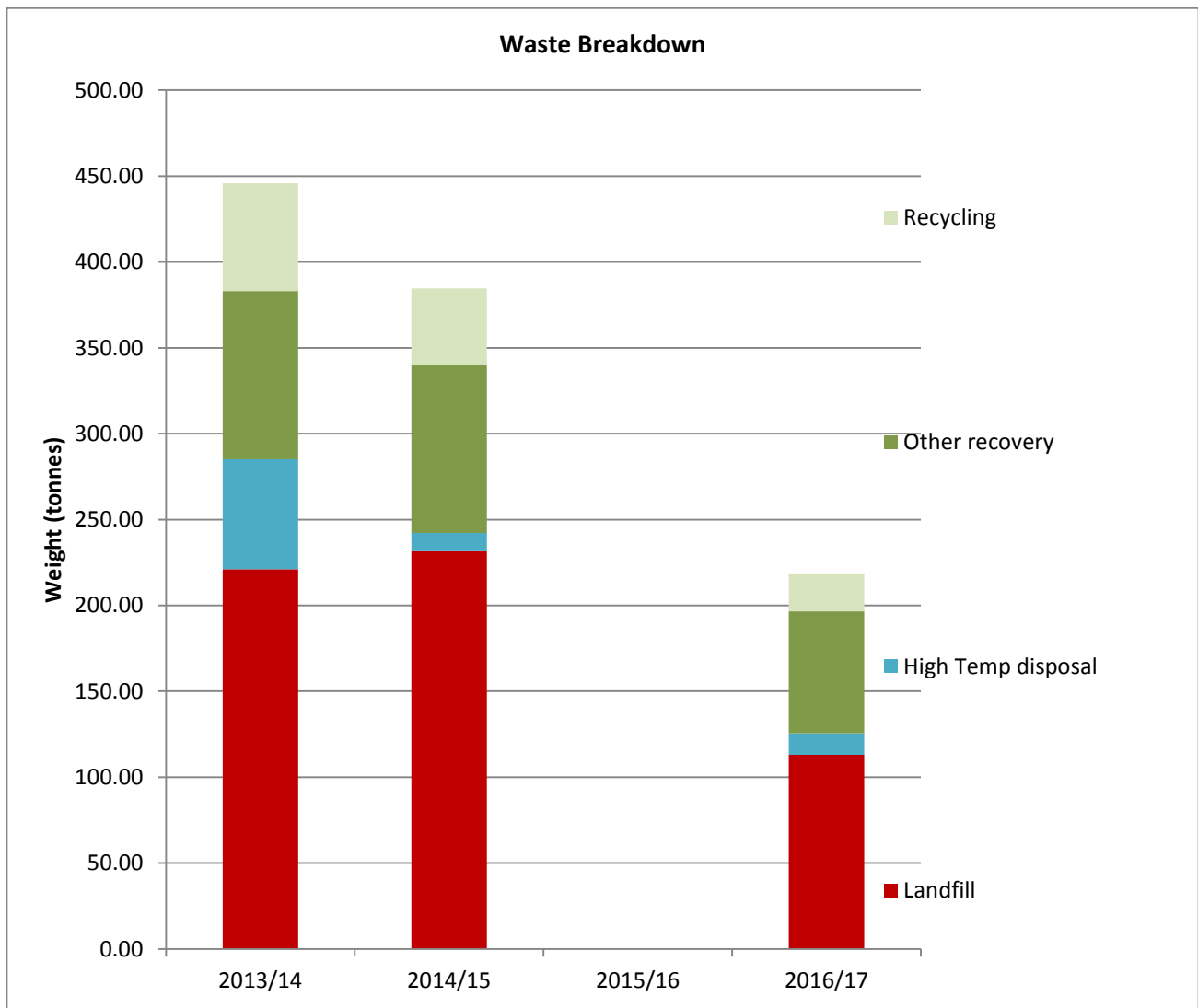
Staffordshire - E-zec Lot 2													
SSOTP - Annual Miles													
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	
C1 - Walking	417	459	442	351	525	302	591	401	417	254	240	254	
C2 - Two and Four Person Lift	5,528	4,868	5,231	4,239	4,396	4,509	4,621	5,192	4,646	4,521	4,331	3,811	
C3 - Wheelchair	194	319	341	481	249	370	346	216	325	359	399	423	
C4 - Strecher Bariatric and Incubator	1,256	853	1,330	1,032	959	1,228	833	1,004	1,201	679	951	917	
HDU	-	-	-	-	-	-	-	-	-	-	-	-	
	7,395	6,499	7,344	6,102	6,129	6,409	6,391	6,813	6,589	5,812	5,921	5,406	76,811

Performance

Whilst we are reducing the number of bases we base staff in and deliver services from it might be expected that travel costs rise, but due to increased use of flexible/mobile working and mobile devices/technology this has not had the impact that might have been expected.

Waste

Waste		2013/14	2014/15	2015/16	2016/17
Recycling	(tonnes)	62.79	44.46	Not included in ERIC definitions	22.17
	tCO ₂ e	1.32	0.93		0.47
Other recovery	(tonnes)	98.00	98.00	Not included in ERIC definitions	71.07
	tCO ₂ e	2.06	2.06		1.49
High Temp disposal	(tonnes)	63.94	10.60	Not included in ERIC definitions	12.46
	tCO ₂ e	14.07	2.33		2.74
Landfill	(tonnes)	221.13	231.54	Not included in ERIC definitions	113.07
	tCO ₂ e	54.05	56.59		35.05
Total Waste (tonnes)		445.86	384.60	0.00	218.77
% Recycled or Re-used		14%	12%		10%
Total Waste tCO₂e		71.49	61.92		39.75



Performance

Our creation of waste has significantly reduced in the last two years. We are reviewing current waste collection contracts to ensure maximised recycling.

Commentary

We will continue to communicate with staff the continued need to reduce waste creation

Water		2013/14	2014/15	2015/16	2016/17
Mains	m ³	39,723	52,288	52,808	53,104
	tCO ₂ e	36	48	48	48
Water & Sewage Spend		£ 176,138	£ 204,901	£ 205,961	£ 199,885

Performance

This has remained fairly static.

Commentary

We will review potential schemes to reduce this during 2018/19.

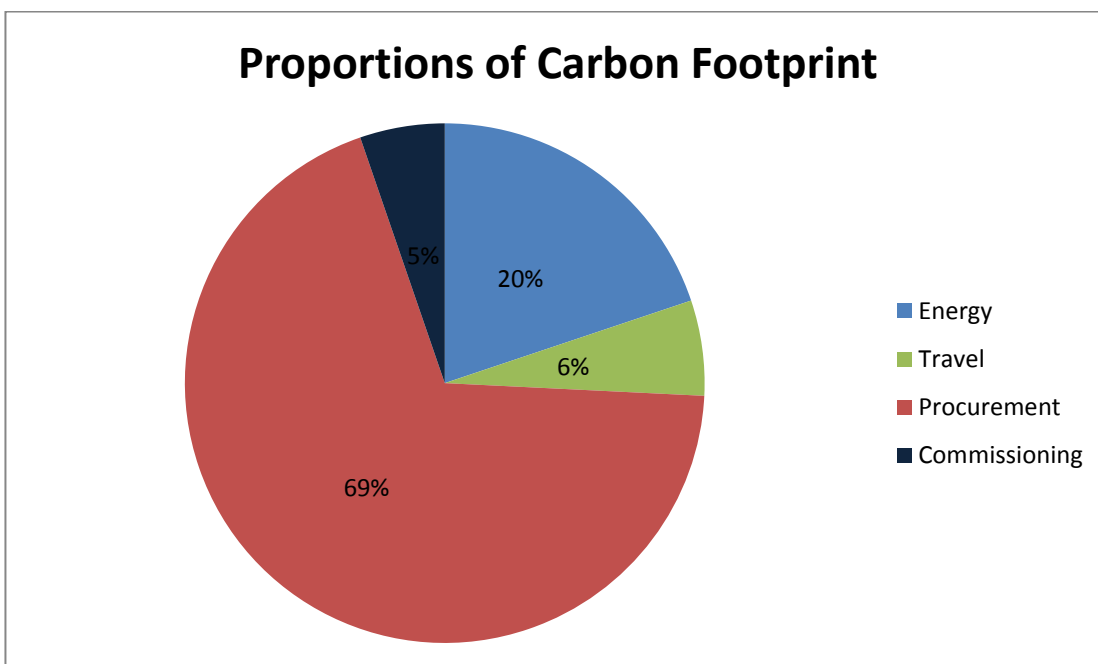
Modelled Carbon Footprint

The information provided in the previous sections of this sustainability report uses the ERIC returns as its data source. However, we are aware that this does not reflect our entire carbon footprint. Therefore, the following information uses a scaled model based on work performed by the Sustainable Development Unit (SDU) in 2009/10. More information available here:

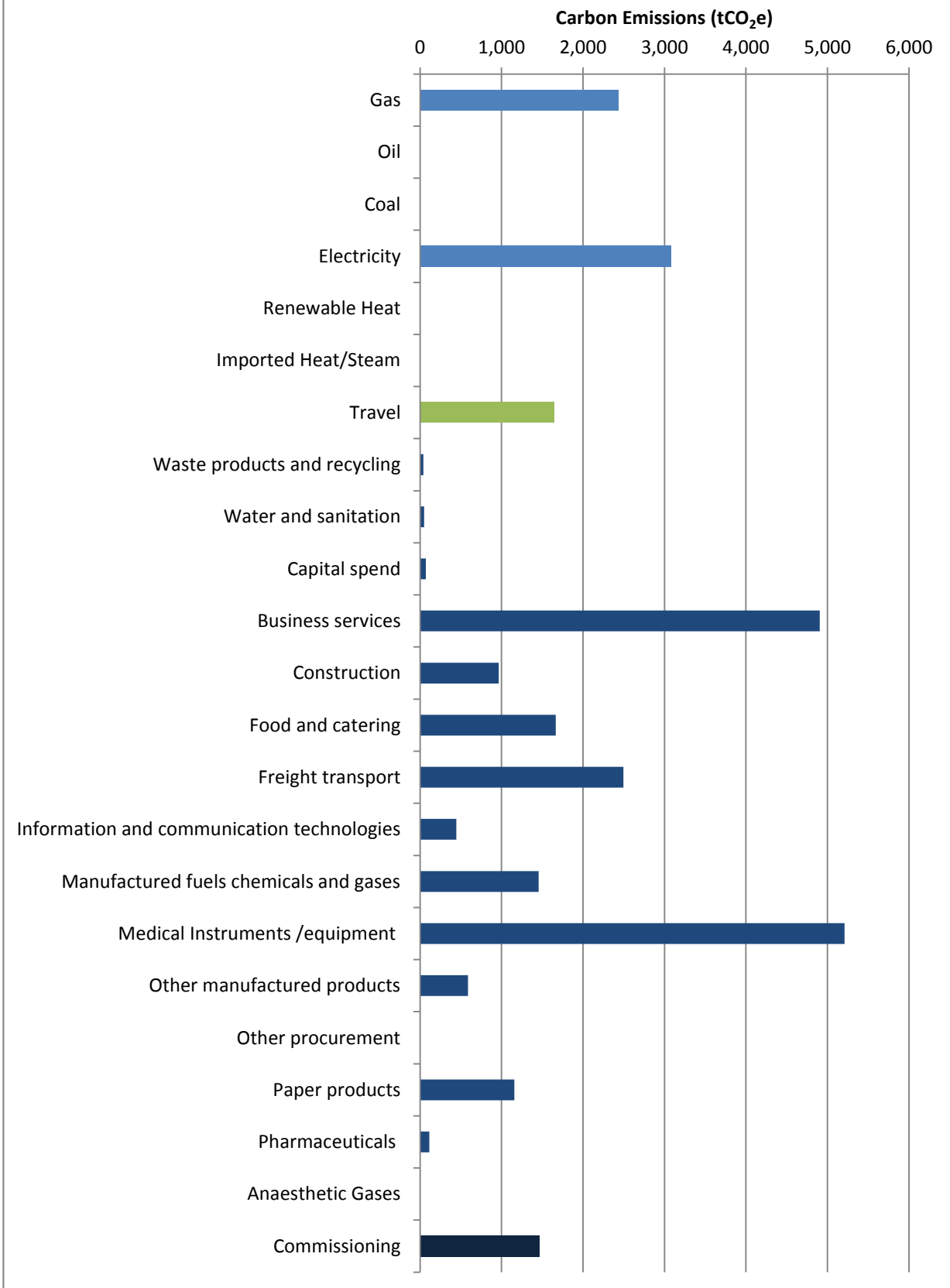
<http://www.sduhealth.org.uk/policy-strategy/reporting/nhs-carbon-footprint.aspx>

Resulting in an estimated total carbon footprint of 27,790 tonnes of carbon dioxide equivalent emissions (tCO₂e). Our carbon intensity per pound is 72 grams of carbon dioxide equivalent emissions per pound of operating expenditure (gCO₂e/£). Average emissions for community services is 160 grams per pound.

Category	% CO ₂ e
Energy	20%
Travel	6%
Procurement	69%
Commissioning	5%



Organisation Carbon Emissions Profile

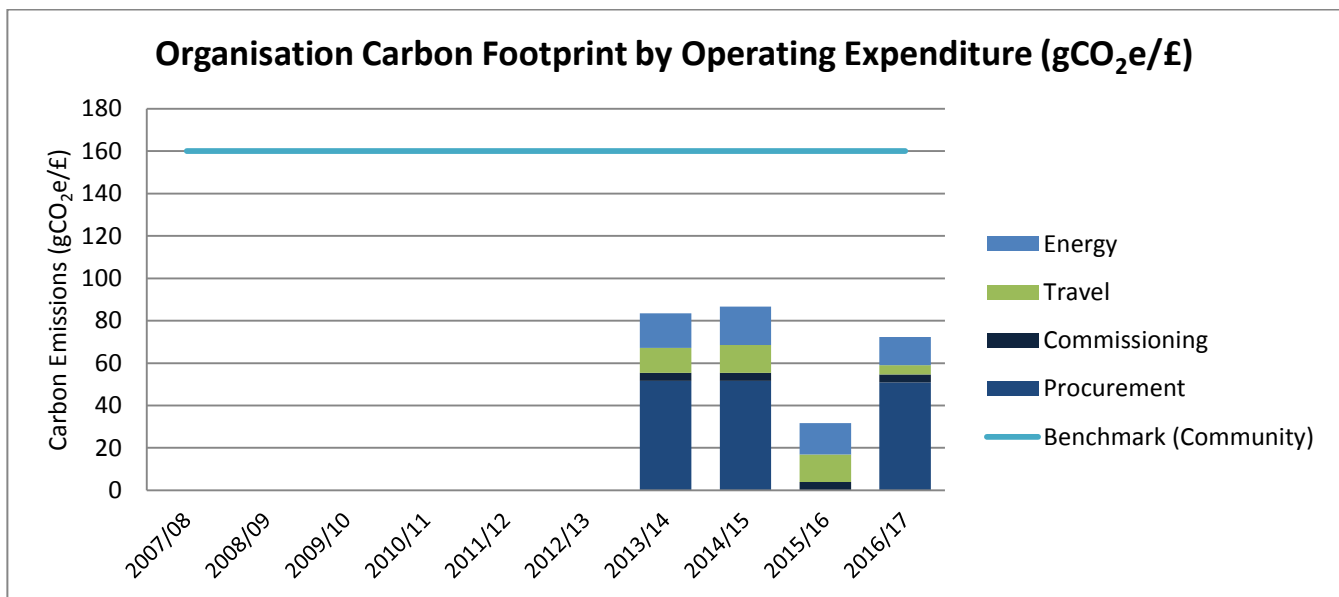


Modelled trajectory

We will continue to reduce our use of buildings as a first priority and invest in the future in those locations where we know there is a continued need to deliver services.

Benchmarking

We will continue to benchmark within the Trust portfolio to indicate where investment or disposal would be recommended but moving forward to a proposed merger with another Trust will give further opportunities in terms of best practice and procurement along with a dedicated Energy and Sustainability Manager. Joint working at STP level is currently in progress to do the same across the wider Health Economy.



Adaptation

Events such as heatwaves, cold snaps and flooding are expected to increase as a result of climate change. To ensure that our services continue to meet the needs of our local population during such events we have developed and implemented a number of policies and protocols in partnership with other local agencies these include:

Business Continuity Plans are in place and are to be reviewed, along with supporting contracts to ensure services continue to operate in these events.

Accountability Report

The Corporate Governance Report

The Directors' Report

The Partnership Trust was formally established as an NHS Trust on 1 September 2011 and fully integrated with adult social care from Staffordshire County Council on 1 April 2012. The Trust Board was modelled on best practice while also taking into account the governance requirements of NHS and aspirant Foundation Trusts.

There is a formal shared governance arrangement in respect of social care. This includes Trust Board to Council Cabinet meetings and an Executive Transformation Group and a steering Board and Transformation Programme Board all of which contain representation from both organisations and have formal Terms of Reference in place.

Board Membership

Stuart Poyner, Chief Executive (up to 16th July 2017)

Neil Carr, Interim Chief Executive (on secondment from South Staffordshire and Shropshire Healthcare NHS Foundation Trust from 17th July 2017)

David Pearson MBE, Chairman

Five Voting Non-Executive Directors:

Dr John Scarpello

Gary Crowe

Jane Gaddum

Elizabeth Jarrett

Paul Weston

Four Voting Executive Directors

Jayne Deaville, Interim Director of Finance and Resources (on secondment from South Staffordshire and Shropshire Healthcare NHS Foundation Trust from 1st December 2016)

Dr James Shipman, Medical Director (up to 16th September 2017. James continued one day per week as Medical Advisor to the Trust Board until 31st May 2018.)

Dr Zafar Iqbal, Medical Director (on secondment from Stoke-on-Trent City Council from 25th September 2017 until 31st May 2018.)

Rose Goodwin, Director of Nursing and Quality

Non-Voting Directors:

Jo Cowcher, Director of Adult Social Care

Kieron Murphy, Director of Operations

Julie Tanner, Director of Workforce and Development

Claire Bailey, Acting Director of Business, Strategy and Redesign

Changes to our Board

During 2017/18 there were a number of changes made to the Board in anticipation of the proposed merger with South Staffordshire and Shropshire Healthcare NHS Foundation Trust, including the interim appointments to the Board of the Chief Executive and Director of Finance from that Trust.

The Board meets on a monthly basis so as to enable it to respond to emerging themes and demands within the Trust and the wider Local Health Economy.

All Board and Committee members are expected to attend no less than 80% of the agreed cycle of meetings. A register of attendance is maintained for the Board and the principal Committees.

Audit Committee

The audit committee performs a key role of reviewing and monitoring the systems of internal control to provide assurance to the Trust Board. The committee receives regular reports on the work and findings of the internal and external auditors. The directors, in so far as they were aware, have taken the necessary steps to make themselves aware of any relevant audit information and have provided this to the Trust's auditors.

Audit Committee Members:

Non-executive directors Gary Crowe (Committee Chair), Jane Gaddum and Paul Weston.



Declarations of interest

Name	Position	Matters Declared
David Pearson MBE	Chairman	Member of the Royal College of Nursing Board Member of Reaseheath College Bagnall Parish Councillor
Neil Carr	Interim Chief Executive	Chief Executive of South Staffordshire and Shropshire Healthcare NHS Foundation Trust Doctor at Staffordshire University Fellow at Royal College of Nursing Visiting Professor at Wagner College, New York
Jayne Deaville	Interim Director of Finance	Director of Finance and Performance of South Staffordshire and Shropshire Healthcare NHS Foundation Trust
Julie Tanner	Director of Workforce and Development	Voluntary county level appointment with Girlguiding Staffordshire Trustee for Staffordshire Council for Voluntary Youth Services (SCVYS) in partnership with VAST commissioned by Staffordshire County Council.
Zafar Iqbal	Interim Medical Director	Registrar UKPHR Director Public health and Consultant Public Health Stoke on Trent City Council Participated in International Public Health Conference in behalf of PHE. (4 th –9 th Dec.2017) Chair FPH Pakistan SIG Visiting Professor Staffs University and Research Fellow at Keele University Director WELCOME CIC
James Shipman	Medical Director	Salaried GP
Paul Weston	Non-Executive Director	Chief Financial Officer of Housing and Care 21
Gary Crowe	Non-Executive Director	Professor of Innovation Leadership, Keele Management School, University of Keele
Jane Gaddum	Non-Executive Director	Co-owner of Gaddum and Gaddum Ltd

Annual Governance Statement

Staffordshire and Stoke on Trent Partnership NHS Trust Annual Governance Statement

Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Trust Accountable Officer Memorandum.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Staffordshire and Stoke on Trent Partnership NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Staffordshire and Stoke on Trent Partnership NHS Trust for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Leadership arrangements for risk management are documented in the Risk Management Strategy and further supported by the Trust Business Plan objectives and individual job descriptions. Leadership starts with the Chief Executive having overall responsibility, and delegation to named Executive Directors. The leadership is further embedded by ownership at a local level by managers taking responsibility for risk identification, assessment and analysis.

All new members of staff are required to attend mandatory induction that covers key elements of risk management. This is further supplemented by local induction. The organisation provides mandatory and statutory training that all staff must attend, and in addition to this, specific training appropriate to individuals' responsibilities is also provided. There are many ways that the organisation seeks to learn from good practice and this includes incident reporting procedures, complaints and pro-active risk assessment.

The overall governance framework operates so as to provide assurance to the board through board committees:

- Quality and Safety
- Finance, Investment & Performance
- Audit
- Workforce Matters
- Remuneration & Terms of Service

All committees of the board are required to undertake an effectiveness review, the outcomes of which are reported annually to the board and embedded within the Terms of Reference of each committee.

All Board and Committee members are expected to attend no less than 80% of the agreed cycle of meetings. A register of attendance is maintained for the Board and its Committees.

Board membership has had three changes in year with the arrival of a new Chief Executive in August 2017 following the secondment of the previous CE, the addition of the Director of Strategy, Business and Redesign in September 2017 following the previous post holder leaving the Trust and finally the Medical Director left the trust and was replaced with a new Medical Director in September 2017. All three posts joined the executive members.

During the year board members have participated in a robust programme of board development which has demonstrated a strong commitment to maintaining an engaged and effective unitary board.

The Board has continued its journey of improvement following a self assessment against the well-led framework in 2016/17 which resulted in an action plan that has been worked upon during the year. A further assessment was undertaken in partnership with South Staffordshire and Shropshire Healthcare NHS Foundation Trust where each

organisation reviewed the other. The findings showed considerable continuing improvement.

There has been a continued focus on visibility and listening (through quality visits and active use of social media) as well as staff support, engagement and the encouragement and support of innovation.

The Board is compliant with the Code of Conduct and Code of Accountability for NHS Boards. A register of relevant and material Board member interests is maintained and published on the Trust's website. Board and Committee meetings routinely include an opportunity for members to declare any interests in agenda items, which are recorded in the minutes of the meeting as well as in a separate register.

The role of the Board's Committees

Quality and Safety Committee

The Quality and Safety Committee is responsible for quality issues including the clinical agenda to ensure that appropriate clinical governance structures, systems and processes are in place across all services and are developed in line with national, regional and commissioning expectations. This is based on the three pillars of quality: safety; patient experience; and effectiveness and includes clinical risk management (monitoring risks to quality) and service user safety. The Committee undertakes a review of the draft Quality Account and the proposed priorities for improvement. Any changes are reflected in the Quality Account before it is consulted upon. The priorities for improvement are tracked in-year through the Quality Dashboard which is reviewed by the Committee and the Board.

Finance Investment & Performance Committee

The Finance, Investment and Performance Committee is responsible for seeking assurance regarding the control and management of the Trust's performance, finances, resources and investments. Duties of the Committee include: consideration of the finance strategy (revenue and capital) and overseeing the implementation of the Trust's procurement strategy, together with monitoring the key financial outcomes

The principal focus of the Finance Investment & Performance Committee has been to secure a sustainable financial recovery.

Workforce Matters Committee

The Workforce Matters Committee is responsible for all matters relating to the workforce, ensuring that strategies and policies adopted by the board are in support of an engaged and committed workforce. A particular focus this year has been on the recruitment and retention of nursing staff and related vacancies; the extension of the Bank; and the management of agency spend so as to provide assurance to the Board that staffing is safe across all services.

Audit Committee

The Audit Committee reviews systems of integrated governance, risk management and internal control, ensures that there is an effective internal audit function, reviews the findings of the external auditor, reviews the findings of other significant assurance functions, and considers the draft annual report and financial statements before their submission to the Board.

Highlights from the meetings of the Audit Committee during the year include:

- Detailed review and approval of the internal audit plan
- Detailed review and approval of the external audit plan
- Regular internal and external audit progress reports in line with the annual audit plans for the year
- Regular reports from the local security management and counter fraud specialist's
- The Board Assurance Framework (BAF) and risk management processes
- The preparation of an annual report to the Board about the discharge of its responsibilities

The Audit Committee meets in private session with the internal and external auditors to review the effectiveness of the committee and its working relationships. The committee also conducts a detailed annual self-assessment in line with the national model.

Remuneration and Terms of Service Committee

The Remuneration Committee is responsible for ensuring that the Trust recruits, retains and develops a strong executive director team capable of achieving Trust objectives for performance. The Committee has oversight of succession planning and senior staff pay, contractual arrangements and termination payments.

The risk and control framework

The Risk Management Strategy clearly defines leadership, structure and the risk management process. Risks within the organisation are identified in many ways using many different methods. Once identified each risk is assessed and evaluated using the Australian / New Zealand 5 x 5 matrix (likelihood x impact, where 1 is low and 5 high). This method is the recognised NHS Risk Management Standard. The risk management strategy is supported by the risk management policy which robustly sets out and documents its processes and arrangements for the structured identification, prevention, evaluation and mitigation of risk. Each Area maintains its own risk register which are monitored monthly and significant risks identified are considered for inclusion in the Corporate Risk Register. The Board reviews the Corporate risk register (risks scored 15 and above) monthly.

The review of risks and current control measures enables risks to be prioritised and supports the trust in determining the degree of risk that the trust will accept, i.e. its risk appetite, when reviewing service changes or investments.

The Trust continually seeks to improve its Assurance Framework, refine its Principal Objectives, and further develop the Assurance Plan in order to assess the potential risks that threaten the achievement of the organisational objectives, the existing control measures in place, where assurances are gained and any gaps in the same. The Trust has maintained its assurance plan which has been subject to regular review to support the 2017/18 Business Plan objectives. Assurance for 2017/18 can further be drawn from regular performance reporting, review of the risk register and specific Board and Committee reporting on key issues and assurances which provides assurance to the Chief Executive to enable sign off of the Annual Governance Statement. The organisation is involved with a multitude of partners including Clinical Commissioning Groups, Social Services, Education, Police, Prisons and the voluntary sector. The Trust Executive, Chief Operating Officers and operational Heads of Services work closely with the above partners, to provide a local integrated service to our public and stakeholders.

The key risks grappled with during the 2017/18 financial year have included the management of the financial position of the trust and in particular the cost improvement programme, and the improvement required in the delivery of service quality and in particular addressing the areas identified by the CQC as requiring improvement. Significant improvement has been made on both counts with demonstrable enhancements delivered. The trust is fully compliant with the registration requirements of the Care Quality Commission.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

To deter fraud and mitigate the associated risk the Trust has a Local Counter Fraud Specialist who provides awareness training at the Trust induction, provides departmental training and delivers a proactive work plan during the year. In addition to this the Trust has a Local Security Management Specialist, policies and internal audit that each contribute to the deterrent of fraud.

The trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Review of economy, efficiency and effectiveness of the use of resources

The trust has a process for setting business objectives across the whole organisation based on the trust's annual plan and monitored and reviewed by the board's committees. The Performance arrangements and reports enable key performance indicators, targets, business and improvement objectives to be effectively monitored, enabling service leads to take forward required actions and to provide evidence of delivery. These are subsequently used to provide evidence to third parties where required but also to the board so that they have assurance with evidence.

Over the past year the trust has improved its financial arrangements and has delivered the financial plan that it set at the commencement of the year. The process of delivery to the board was via the Finance, Investment and Performance Committee and the Finance Recovery Group, who established the programme of savings, monitored the delivery and measured the success. The final half of the plan commences in 2018/19 and the journey back to balance will be judged that financial year.

Information governance

The Trust uses the Information Governance Toolkit to identify and manage information risks. The trust achieved a score of 85% compliance resulting in a Satisfactory rating with Improvement Plan – associated with training compliance. There were no incidents during the year that rated at Level 2 or higher.

Data security risks are managed as part of a comprehensive framework of risk management concerning IM&T and Information Governance within the trust. Risks are managed through the use of the risk register. Action plans are developed where necessary. Assurance is also provided through a comprehensive programme of internal and external audit which provides assurance on the effectiveness of security controls. Data security risks are further managed through close working with the Health Informatics Service and regular Information Security reviews.

Annual Quality Account

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year.

Quality is central to the delivery of the Trust's strategy to deliver safe, effective and high quality services. Quality of services is monitored through our Area structure through to the board committee tasked with ensuring Quality Governance. Directors and managers have taken steps to satisfy themselves that the content of the quality report is consistent with internal and external sources of information including feedback from commissioners, Health scrutiny committees and Healthwatch, the Trust's complaints report, the National NHS Staff Survey 2016, CQC Intelligent Monitoring tool and the Head of Internal Audit annual opinion over the Trust's control environment. In addition Directors have agreed arrangements to obtain assurance from External Audit in respect of the content of the Quality Account and on two mandated indicators.

Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee [and the Quality and Safety Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Positive opinions in respect of the majority of work undertaken in 2017/18 by internal audit have been issued. Good progress has been noted on the follow up of previous internal audit recommendations. During the year Significant Assurance (green) was gained in the areas of Risk Management, Financial Forecasting Procedures – Phases 1 and 2, CIP Governance – Monitoring Projects, Safe Staffing – Community Hospital Nursing Staff, Financial Systems, Appointeeships, Overall Governance Arrangements, CQC Compliance and Budgetary Control and Financial Reporting. Moderate Assurance (amber) was gained in the areas of Programme and Project Governance, Safe Staffing – District Nursing, Medical and AHP's, DQ RTT, Contracting Arrangements, DQ – Rio System, Workforce Planning and Management – Staff Overpayments and IG Toolkit. Limited assurance (red) was achieved in the areas of CIP Governance – Identifying Projects, Cyber Security and CIP Governance – Delivery. Follow up reviews will be undertaken in 2018/19 ensuring that action plans agreed are delivered.

Significant Issues

During the last year the Trust has declared its intention to be acquired by South Staffordshire and Shropshire Healthcare NHS Foundation Trust. Subject to Regulator agreement this will be enacted on 1 June 2018.

Conclusion

No significant internal control issues have been identified.

Signed:

Neil Carr

Chief Executive

Date: 25 May 2018



Statement of the chief executive's responsibilities as the accountable officer of the trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the trust. The relevant responsibilities of Accountable Officers are set out in the *NHS Trust Accountable Officer Memorandum*. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the trust;
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Neil Carr

Chief Executive

Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, recognised gains and losses and cash flows for the year. In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

By order of the Board

Neil Carr

Chief Executive

Jayne Deaville

Director of Finance

The Governance Framework of the Staffordshire and Stoke on Trent Partnership NHS Trust

The governance framework of the Staffordshire and Stoke on Trent Partnership NHS Trust has been mapped to the domains of the Well Led Framework and an action plan arising from a peer reviewed Board self-assessment was approved in January 2018.

The action plan focuses on the identification of priority actions required in the lead up to the proposed merger with South Staffordshire and Shropshire Healthcare NHS Foundation Trust to ensure that any gaps or risks identified were addressed or mitigated and the identification of additional actions required in support of the new Trust's "journey to outstanding".

Actions from previous reviews undertaken by NHS Improvement and CQC were carried forward into the new plan, which is iterative to enable changes to be addressed and features prominently in the Post Transaction Implementation Plan for the new organisation (PTIP).

The overall governance framework operates so as to provide assurance to the Board through its principal Board committees:

- Quality Governance;
- Finance Investment & Performance;
- Audit;
- Executive Risk Management Committee;
- Workforce Matters Committee;
- Remuneration of Terms of Service Committee.

All Committees of the Board are required to undertake an effectiveness review, the outcomes of which are reported annually to the Board and embedded within revised Terms of Reference and/or membership of each Committee. The report consists of an assurance report to the public Board that each Committee has discharged: its functions and cycle of business; reflected on the development of its Terms of Reference and its membership to confirm that they have the right skills and experience to deliver the business of the Committee whilst providing robust challenge and assurance; and providing confirmation to the Board that the findings of the effectiveness reviews have been implemented. In 2017/18 this work was undertaken to align the terms of reference of the Board committees to those in place within South Staffordshire and Shropshire Healthcare NHS Foundation Trust to support a smooth transition in anticipation of the merger.

Modern Slavery and Human Trafficking Act 2015 Annual Statement

The aim of this statement is to demonstrate that the Trust follows good practice and all reasonable steps are taken to prevent slavery and human trafficking and to make every effort to prevent slavery and human trafficking in its supply chain.

The Trust has reviewed its internal policies and procedures to reflect the requirement to assess supplier risk in relation to the potential for modern slavery or human trafficking and expects all suppliers to affirm their compliance with the legislation. Discussions will continue to take place with Internal Audit regarding how as part of their future annual audit plan they can reference monitoring of the modern slavery and human trafficking act requirements. The Procurement Department staff abide by the CIPS code of professional conduct and over the next year, the Trust's internal supply chain management will continue to be required to undertake specific training related to modern slavery and human trafficking. With regard to wider staff training, the Trust has incorporates the principles within its safeguarding training and policy training of staff.

The Trust has evaluated the principal risks related to slavery and human trafficking and identifies them as:

- Reputational
- Lack of assurances from suppliers
- Lack of antislavery clauses in contracts
- Training staff to maintain the Trust's position around anti-slavery and human trafficking.

Performance indicators are being developed to provide a means of assessing the effectiveness of the statement.

All members of staff have a personal responsibility for the successful prevention of slavery and human trafficking with the Procurement Department taking lead responsibility for overall compliance.

Remuneration and Staff Report

Remuneration Report

a) Salaries and Allowances

Name and Title	2017-18					2016-17				
	Salary	Bonus Payments	Benefits in Kind	All pension-related benefits	Total	Salary	Bonus Payments	Benefits in Kind	All pension-related benefits	Total
	(bands of £5000)	(bands of £5000)	Rounded to the nearest	(bands of £5,000)	(bands of £5000)	(bands of £5000)	(bands of £5000)	Rounded to the nearest	(bands of £5,000)	(bands of £5000)
	£'000s	£'000s	£	£'000s	£'000s	£'000s	£'000s	£	£'000s	£'000s
David Pearson MBE - Chair	60 - 65	Nil	Nil	Nil	60 - 65	35 - 40	Nil	Nil	Nil	35 - 40
Stuart Poynor - Chief Executive (to 17 July 2017)	45 - 50	Nil	26	40 - 45	90 -95	150 - 155	Nil	2100	40 - 45	200 - 205
* Neil Carr - Interim Chief Executive (from 17 July 2017)	60 -65				60 - 65					
Jonathan Tringham - Director of Finance and Resources (to 30 Nov 2016)						75 - 80	Nil	Nil	65 - 70	140 - 145
* Jayne Deaville - Interim Director of of Finance and Resources	80 - 85				80 - 85	30 - 35	Nil	Nil	5 - 10	40 - 45
Dr James Shipman - Medical Director (to 16 September 2017)	60 - 65	Nil	Nil	25 - 30	65 - 70	135 - 140	Nil	Nil	75 - 80	210 - 215
** Dr Zafar Iqbal (from 25 September 2017)	60 to 65	Nil	Nil	0	60 to 65					
Rose Goodwin - Director of Nursing and Quality	95 - 100	Nil	Nil	25 - 30	125 - 130	95 - 100	Nil	Nil	50 - 55	145 - 150
Julie Tanner - Director of Workforce and Development	90 - 95	Nil	Nil	25 - 30	115 - 120	90 - 95	Nil	Nil	25 - 30	115 - 120
Kieron Murphy - Director of Operations	95 - 100	Nil	Nil	25 - 30	125 - 130	95 - 100	Nil	Nil	25 - 30	125 - 130
Joanne Cowcher - Director of Social Care (from 1 April 2017)	90 - 95	Nil	Nil	95 - 100	185 - 190					
Claire Bailey - Acting Director of Business and Strategy	90 - 95	Nil	21	100 - 105	190 - 195	50 - 55	Nil	2600	140 - 145	195 - 200
Dr John Scarpello - Non-Executive Director	5 - 10	Nil	Nil	Nil	5 - 10	5 - 10	Nil	Nil	Nil	5 - 10
Gary Crowe - Non-Executive Director	5 - 10	Nil	Nil	Nil	5 - 10	5 - 10	Nil	Nil	Nil	5 - 10
Jane Gaddum - Non-Executive Director	5 - 10	Nil	Nil	Nil	5 - 10	5 - 10	Nil	Nil	Nil	5 - 10
Elizabeth Jarrett - Non-Executive Director	5 - 10	Nil	Nil	Nil	5 - 10	5 - 10	Nil	Nil	Nil	5 - 10
Paul Weston - Non-Executive Director	5 - 10	Nil	Nil	Nil	5 - 10	5 - 10	Nil	Nil	Nil	5 - 10

* The total banded salary across both organisations for the period 1 April 2017 to 31 March 2018 for Neil Carr, Interim Chief Executive & Jayne Deaville, Interim Director of Finance and Resources for was 205 - 210 & 170 - 175 respectively

** Dr Zafar Iqbal is on secondment from Stoke-on-Trent City Council

b) Pension Benefits

	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2018 (bands of £5000)	Lump sum at aged 60 related to accrued pension at 31 March 2012 (bands of £5000)	Cash Equivalent Transfer Value at 31 March 2018	Cash Equivalent Transfer Value at 31 March 2017	Real Increase in Cash Equivalent Transfer Value
Name and title	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Stuart Poynor - Chief Executive	0 - 2.5	0 - 2.5	65 - 70	205 - 210	1,407	1,292	115
Geraint Griffiths - Deputy Chief Executive (to 10 February 2017)							
Jonathan Tringham - Director of Finance and Resources (to 30 Nov2016)							
Joanne Cowcher - Director of Social Care	2.5 - 5	0	0 - 5	0	49	0	49
Dr James Shipman - Medical Director	0 - 2.5	0	15 - 20	35 - 40	312	287	25
Rose Goodwin - Director of Nursing and Quality	0 - 2.5	2.5 - 5	25 - 30	75 - 80	581	527	54
Julie Tanner - Director of Workforce and Development	0 - 2.5	2.5 - 5	30 - 35	90 - 95	657	600	57
Kieron Murphy - Director of Operations	0 - 2.5	2.5 - 5	35 - 40	105 - 110	773	708	65
Claire Bailey - Acting Director of Business and Strategy (from 1 September 2016)	2.5 - 5	7.5 - 10	25 - 30	65 - 70	402	318	84

The pension benefits for Neil Carr, Interim Director of Finance & Jayne Deaville, Interim Director of Finance and Resources can be found in the Annual Report and Accounts of South Staffordshire and Shropshire Healthcare NHS Foundation Trust.

Directors Remuneration

Remuneration of directors is considered and set by the Remuneration Committee

Remuneration committee membership as follows:

- Chairman David Pearson
- Dr John Scarpello NED
- Gary Crowe NED
- Jane Gaddum NED
- Paul Weston NED
- Elizabeth Jarrett NED
- Julie Tanner Director of Workforce and Development
- Jane Landick Company Secretary

Pay Multiple Disclosure

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in Staffordshire and Stoke on Trent Partnership NHS Trust in the financial year 2017-18 was £135,000 - £140,000 (2016-17, £150,000 - £155,000). This was 5 times (2016-17, 6) the median remuneration of the workforce, which was £25,951 (2016-17 £25,392).

In 2017-18, two employees (2016-17, nil) received remuneration in excess of the highest-paid director. Remuneration ranged from £5,000 - £10,000 to £100,000 - £105,000 (2016-17, £5 - £10,000 to £150,000 - £155,000).

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

Staff Report

Number of senior managers

Directors/Chief Executive

Gender	Headcount	FTE
Female	5	5.00
Male	5	5.00
Grand Total	10	10.00

Other Senior Managers

Gender	Headcount	FTE
Female	21	19.6
Male	9	9.00
Grand Total	30	28.60



Staff costs

	Permanent	Other	2017/18 Total	2016/17 Total
	£000	£000	£000	£000
Salaries and wages	112,983	359	113,342	122,573
Social security costs	9,656	-	9,656	10,496
Apprenticeship levy	547	-	547	-
Employer's contributions to NHS pensions	13,305	-	13,305	14,358
Pension cost – other	1,876	-	1,876	2,363
Other post-employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	4,810	-	4,810	5,359
Temporary staff		4,618	4,618	6,576
Total gross staff costs	143,177	4,977	148,154	161,725
Recoveries in respect of seconded staff	(1,200)	-	(1,200)	-
Total staff costs	141,977	4,977	146,954	161,725
Of which				
Costs capitalised as part of assets	-	-	-	672



We Put
Quality First



We Focus
on People



We Take
Responsibility

Average number of employees (WTE basis)

			2017/18	2016/17
	Permanent	Other	Total	Total
	Number	Number	Number	Number
Medical and dental	58	1	59	65
Ambulance staff	-	-	-	-
Administration and estates	862	25	887	1,068
Healthcare assistants and other support staff	609	31	640	732
Nursing, midwifery and health visiting staff	1,089	26	1,115	1,197
Nursing, midwifery and health visiting learners	8	-	8	6
Scientific, therapeutic and technical staff	488	4	492	525
Healthcare science staff	-	-	-	-
Social care staff	526	8	534	581
Other	-	-	-	-
Total average numbers	3,640	95	3,735	4,174
Of which:				
Number of employees (WTE) engaged on capital projects	-	-	-	13



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Gender	Headcount	FTE
Female	4,037	3,234.40
Male	386	343.59
Grand Total	4,423	3,577.98

Sickness absence data

2017-18 Sickness Rate	4.57%
Total Days Lost	39,989
Total Staff Years	3,718
Average Working Days Lost	10.8



Staff policies applied during the year

The Partnership Trust's ratification process for policies subjects each policy/strategy to an equality analysis (evidencing due regard for the protected equality groups and health inclusion groups). All employment policies follow this process and reflect the Trust's equality commitment as declared within the Equality Statement.

<https://www.staffordshireandstokeontrent.nhs.uk/About-Us/equality-and-inclusion.htm>.

The Trust follows the NHS Agenda for Change and job evaluation processes which support the consideration of suitable applicants on skill requirements. We implement the Two Tick symbol (Disability Confident) support for applicants who have declared a disability and meet the required qualifications of the role to be guaranteed an interview.

The Trust supports staff who are/have become disabled through its return to work policies. We have a WRAP (Wellness Recovery Action Plan) which supports staff and managers to implement effective communication and reasonable adjustments upon return to work.

In addition the Trust has a disability staff support network which highlights good practice and areas for improvement based on staff member experiences. We are currently developing a reasonable pathway policy to support managers and staff on understanding which processes and support across the Trust can be accessed to support staff in the workplace.

There are several staff that have had reasonable adjustments in the workplace and this includes the associated training to them and their teams (where applicable) to understand the impact of the reasonable adjustment; such an example is the Dragon software training, working with Deaf staff and understanding sensory equality training.

The training and development team support staff to have resources in an accessible format and where there is face to face training will meet the reasonable adjustment requirements for staff to enable them to attend and attain the required skills and knowledge from the course they attend and are not disadvantaged. Examples are inclusive of printing of resources on different coloured papers, sending electronic copies prior to training session, loop induction systems at the training and use of BSL/note takers at training sessions/meetings.

The Trust's Workforce Equality Data Analysis report 2016-2017 gives more detail of staff from equality groups in relation to applicants and learning and development of employed staff. The Equality and Inclusion Annual Report 2017 highlights the Trust's areas of work and delivery across the equality agenda including the staff support networks. These can be accessed by the link given above.

Expenditure on consultancy

During the year the Partnership Trust incurred consultancy costs amounting to £28,000 (2016/17 - £6,000). The three principal projects reflected provided a report on planning options for four of the Trust's freehold sites, providing advice of Legionella Risk Management and providing support on the implementation of a new costing system for the Trust.

Off-payroll engagements

HM Treasury requires public sector bodies to report arrangements whereby individuals are paid through their own companies and thereby are responsible for their own tax and national insurance arrangements as they are classed as employees. The Trust is required to report any off payroll engagements for more than £220 per day and last longer than six months that have arisen during 2017/18 or are in existence as at 31 March 2018. The Trust can report that no individual falls within these criteria.

Exit packages

Exit packages 2017/18			
Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
Less than £10,000	28	26	54
£10,001 - £25,000	86	28	114
£25,001 - 50,000	37	9	46
£50,001 - £100,000	8	-	8
Total number of exit packages by type	159	63	222
Total cost of exit packages 2017/18 (£)	£3,384,000	£945,000	£4,329,000

Exit packages 2016/17			
Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
Less than £10,000	39	53	92
£10,001 - £25,000	79	39	118
£25,001 - 50,000	20	38	58
£50,001 - £100,000	2	5	7
Total number of exit packages by type	140	135	275
Total cost of exit packages 2016/17 (£)	£2,300,340	£2,628,012	£4,928,352

Redundancy and other departure costs have been paid in accordance with the provisions of the relevant Agenda for Change or Local Government Terms and Conditions. Exit costs are accounted for in full in the year of departure. Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

This disclosure reports the number and value of exit packages agreed in the year. Note: The expense associated with these departures may have been recognised in part or in full in a previous period.

Exit packages – Other Departures analysis

Exit packages: other (non-compulsory) departure payments	2017/18		2016/17	
	Payments agreed	Total value of agreements	Payments agreed	Total value of agreements
	Number	£000	Number	£000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	63	945	124	2,575
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	-	-	10	28
Exit payments following Employment Tribunals or court orders	-	-	1	25
Non-contractual payments requiring HMT approval	-	-	-	-
Total	63	945	135	2,628
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-	-	-

This disclosure reports the number and value of exit packages agreed in the year. Note: The expense associated with these departures may have been recognised in part or in full in a previous period.

As a single exit packages can be made up of several components each of which will be counted separately in this disclosure, the total number above will not necessarily match the total numbers in the exit packages table which will be the number of individuals.

Neil Carr

Chief Executive

May 2018

Financial Statements and Notes to the Accounts



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Statement of Comprehensive Income

		2017/18	2016/17
	Note	£000	£000
Operating income from patient care activities	3	203,925	335,436
Other operating income	4	6,195	9,396
Operating expenses	6, 8	<u>(214,521)</u>	<u>(378,417)</u>
Operating surplus/(deficit) from continuing operations		<u>(4,401)</u>	<u>(33,585)</u>
Finance income	11	34	34
Finance expenses	12	(3,271)	(2,193)
PDC dividends payable		<u>(38)</u>	<u>(940)</u>
Net finance costs		<u>(3,275)</u>	<u>(3,099)</u>
Other gains / (losses)	13	-	-
Share of profit / (losses) of associates / joint arrangements	20	-	-
Gains / (losses) arising from transfers by absorption		-	-
Corporation tax expense		-	-
Surplus / (deficit) for the year from continuing operations		<u>(7,676)</u>	<u>(36,684)</u>
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	14	<u>-</u>	<u>-</u>
Surplus / (deficit) for the year		<u><u>(7,676)</u></u>	<u><u>(36,684)</u></u>

Other comprehensive income

Will not be reclassified to income and expenditure:

Impairments	7	(138)	(1,767)
Revaluations	18	3,236	2,798
Share of comprehensive income from associates and joint ventures	20	-	-
Other recognised gains and losses		-	-
Remeasurements of the net defined benefit pension scheme liability / asset	37	-	-
Other reserve movements		-	6

May be reclassified to income and expenditure when certain conditions are met:

Fair value gains / (losses) on available-for-sale financial investments	13	-	-
Recycling gains / (losses) on available-for-sale financial investments	13	-	-
Foreign exchange gains / (losses) recognised directly in OCI	13	<u>-</u>	<u>-</u>
Total comprehensive income / (expense) for the period		<u><u>(4,578)</u></u>	<u><u>(35,647)</u></u>

Adjusted Financial performance for the year

Retained deficit for the year		(7,676)	(36,684)
CQUIN Risk Reserve - 1617 CT non achievement adjustment		(527)	0
IFRIC 12 adjustment (including IFRIC 12 impairments)		0	(1,071)
Impairments (excluding IFRIC 12 impairments)		(1,793)	4,819
Adjustments in respect of donated asset reserve elimination		<u>1</u>	<u>2</u>
Adjusted retained surplus/(deficit)		<u><u>(9,995)</u></u>	<u><u>(32,934)</u></u>

A Trust's Reported NHS financial performance position is derived from its Retained surplus/(Deficit), but adjusted for the following;

In 2017/18 the Trusts has undertaken a revaluation of its building assets which has also resulted in a reversal of an impairment charge that had been incurred in previous financial years. An impairment charge or reversal is not considered part of the organisations operating position.

Additionally in 2017/18 the Trust received income related to CQUIN risk reserve held back in 2016/17. The Trust is required to exclude this income benefit from its 2017/18 financial performance

The notes on pages 6 to 48 form part of this account.

Statement of Financial Position

		31 March 2018 £000	31 March 2017 £000
	Note		
Non-current assets			
Intangible assets	15	2,293	2,957
Property, plant and equipment	16	83,564	79,779
Investment property	19	-	-
Investments in associates and joint ventures	20	-	-
Other investments / financial assets	21	-	-
Trade and other receivables	24	136	150
Other assets	25	-	-
Total non-current assets		85,993	82,886
Current assets			
Inventories	23	434	581
Trade and other receivables	24	14,599	23,450
Other investments / financial assets	21	-	-
Other assets	25	-	-
Non-current assets held for sale / assets in disposal groups	26	854	854
Cash and cash equivalents	27	10,710	8,372
Total current assets		26,597	33,257
Current liabilities			
Trade and other payables	28	(19,933)	(33,715)
Borrowings	31	(871)	(1,930)
Other financial liabilities	29	-	-
Provisions	33	(2,737)	(1,180)
Other liabilities	30	(447)	(709)
Liabilities in disposal groups	26	-	-
Total current liabilities		(23,988)	(37,534)
Total assets less current liabilities		88,602	78,609
Non-current liabilities			
Trade and other payables	28	-	-
Borrowings	31	(72,941)	(59,436)
Other financial liabilities	29	-	-
Provisions	33	(1,066)	-
Other liabilities	30	-	-
Total non-current liabilities		(74,007)	(59,436)
Total assets employed		14,595	19,173

Financed by

Public dividend capital	982	982
Revaluation reserve	22,910	20,095
Available for sale investments reserve	-	-
Other reserves	-	-
Merger reserve	-	-
Income and expenditure reserve	-	-
	<u>(9,297)</u>	<u>(1,904)</u>
Total taxpayers' equity	<u>14,595</u>	<u>19,173</u>

The notes on pages 6 to 48 form part of these accounts.

The financial statements on pages 1 to 6 were approved by the Board on 25 May 2018 and signed on its behalf by

Neil Carr
Chief Executive:

Statement of Changes in Equity for the year ended 31 March 2018

	Public dividend capital £000	Revaluation reserve £000	Available for sale investment reserve £000	Other reserves £000	Merger reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2017 - brought forward	982	20,095	-	-	-	(1,904)	19,173
Surplus/(deficit) for the year	-	-	-	-	-	(7,676)	(7,676)
Transfers by absorption: transfers between reserves	-	-	-	-	-	-	-
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	-	-	-
Other transfers between reserves	-	(283)	-	-	-	283	-
Impairments	-	(138)	-	-	-	-	(138)
Revaluations	-	3,236	-	-	-	-	3,236
Transfer to retained earnings on disposal of assets	-	-	-	-	-	-	-
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	-	-
Fair value gains/(losses) on available-for-sale financial investments	-	-	-	-	-	-	-
Recycling gains/(losses) on available-for-sale financial investments	-	-	-	-	-	-	-
Foreign exchange gains/(losses) recognised directly in OCI	-	-	-	-	-	-	-
Other recognised gains and losses	-	-	-	-	-	-	-
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	-	-	-
Public dividend capital received	-	-	-	-	-	-	-
Public dividend capital repaid	-	-	-	-	-	-	-
Public dividend capital written off	-	-	-	-	-	-	-
Other movements in public dividend capital in year	-	-	-	-	-	-	-
Other reserve movements	-	-	-	-	-	-	-
Taxpayers' equity at 31 March 2018	982	22,910	-	-	-	(9,297)	14,595

Statement of Changes in Equity for the year ended 31 March 2017

	Public dividend capital £000	Revaluation reserve £000	Available for sale investment reserve £000	Other reserves £000	Merger reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2016 - brought forward	982	19,476	-	-	-	34,362	54,820
Prior period adjustment	-	-	-	-	-	-	-
Taxpayers' equity at 1 April 2016 - restated	982	19,476	-	-	-	34,362	54,820
Surplus/(deficit) for the year	-	-	-	-	-	(36,684)	(36,684)
Transfers by absorption: transfers between reserves	-	-	-	-	-	-	-
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	-	-	-
Other transfers between reserves	-	(412)	-	-	-	412	-
Impairments	-	(1,767)	-	-	-	-	(1,767)
Revaluations	-	2,798	-	-	-	-	2,798
Transfer to retained earnings on disposal of assets	-	-	-	-	-	-	-
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	-	-
Fair value gains/(losses) on available-for-sale financial investments	-	-	-	-	-	-	-
Recycling gains/(losses) on available-for-sale financial investments	-	-	-	-	-	-	-
Foreign exchange gains/(losses) recognised directly in OCI	-	-	-	-	-	-	-
Other recognised gains and losses	-	-	-	-	-	-	-
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	-	-	-
Public dividend capital received	-	-	-	-	-	-	-
Public dividend capital repaid	-	-	-	-	-	-	-
Public dividend capital written off	-	-	-	-	-	-	-
Other movements in public dividend capital in year	-	-	-	-	-	-	-
Other reserve movements	-	-	-	-	-	6	6
Taxpayers' equity at 31 March 2017	982	20,095	-	-	-	(1,904)	19,173

Information on reserves

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the trust.

Statement of Cash Flows

	Note	2017/18 £000	2016/17 £000
Cash flows from operating activities			
Operating surplus / (deficit)		(4,401)	(33,585)
Non-cash income and expense:			
Depreciation and amortisation	6.1	2,117	2,131
Net impairments	7	(1,793)	3,748
Income recognised in respect of capital donations	4	-	-
Amortisation of PFI deferred credit		-	-
Non-cash movements in on-SoFP pension liability		-	-
(Increase) / decrease in receivables and other assets		8,725	(5,048)
(Increase) / decrease in inventories		147	102
Increase / (decrease) in payables and other liabilities		(14,083)	1,546
Increase / (decrease) in provisions		2,623	1,080
Tax (paid) / received		-	-
Operating cash flows from discontinued operations		-	-
Other movements in operating cash flows		-	-
		(6,665)	(30,026)
Cash flows from investing activities			
Interest received		34	34
Purchase and sale of financial assets / investments		-	-
Purchase of intangible assets		(13)	(1,168)
Sales of intangible assets		-	-
Purchase of property, plant, equipment and investment property		(488)	(234)
Sales of property, plant, equipment and investment property		-	-
Receipt of cash donations to purchase capital assets		-	-
Prepayment of PFI capital contributions		-	-
Investing cash flows of discontinued operations		-	-
Cash movement from acquisitions/disposals of subsidiaries		-	-
		(467)	(1,368)
Cash flows from financing activities			
Public dividend capital received		-	-
Public dividend capital repaid		-	-
Movement on loans from the Department of Health and Social Care		13,300	26,800
Movement on other loans		-	-
Other capital receipts		-	-
Capital element of finance lease rental payments		-	-
Capital element of PFI, LIFT and other service concession payments		(854)	(833)
Interest paid on finance lease liabilities		-	-
Interest paid on PFI, LIFT and other service concession obligations		(1,901)	(1,843)
Other interest paid		(1,177)	(350)
PDC dividend (paid) / refunded		102	(1,374)
Financing cash flows of discontinued operations		-	-
Cash flows from (used in) other financing activities		-	-

Net cash generated from / (used in) financing activities		<u>9,470</u>	<u>22,400</u>
Increase / (decrease) in cash and cash equivalents		<u>2,338</u>	<u>(8,994)</u>
Cash and cash equivalents at 1 April - brought forward		8,372	17,366
Prior period adjustments			-
Cash and cash equivalents at 1 April - restated		8,372	17,366
Cash and cash equivalents transferred under absorption accounting	44	-	-
Unrealised gains / (losses) on foreign exchange		<u>-</u>	<u>-</u>
Cash and cash equivalents at 31 March	27.1	<u>10,710</u>	<u>8,372</u>

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2017/18 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to accounts.

Note 1.1.1 Accounting convention

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

Note 1.1.2 Going concern

The Trust has prepared these financial statements on a going concern basis in line with the relevant Treasury guidance and Department of Health Group Manual for Accounts. Going concern is a key concept in the preparation of the financial statements for the Trust. The accounting concept of going concern refers to the basis of measurement of an organisation's assets and liabilities in its accounts (that is, the basis on which those assets and liabilities are recorded and included in the accounts).

The Trust is due to be acquired by South Staffordshire and Shropshire Healthcare NHS Foundation Trust on 1 June 2018. Following acquisition its services will continue to be provided, using the same assets, by the successor organisation. This complies with the requirements of the Treasury's Financial Reporting Manual adaptation of IAS 1 - Presentation of Financial Statements, whereby the anticipated continuation of service provision is normally sufficient evidence that accounting as a going concern is appropriate.

Key Considerations in assessing the Trusts Going Concern;

- The Trust is due to be acquired by South Staffordshire and Shropshire Healthcare NHS Foundation Trust on 1 June 2018 and its services will continue to be provided, using the same assets, by the successor organisation.
- In 2017/18 the Trust's in year adjusted retained deficit is £9.995m and its cumulative break-even position is as a deficit of £41.505m.
- As at the Balance Sheet date the Trust has a Net Current Asset position of £2.414m and has loans from the Department of Health & Social Care of £40.100m. South Staffordshire and Shropshire Healthcare NHS Foundation Trust plans to reschedule the repayment of these loans as part of the acquisition process.
- The Trust has submitted to its regulator an operational plan covering the financial year 2018/19. This is a financial forecast of the service it currently provides and aims to deliver a surplus on the provision of these services. It shows the Trust plans to achieve its control total of £0.869m in 2018/19, after the delivery of a £12.7m Cost Improvement Requirement. This plan, approved by the board, forms the basis of 2018/19 operational budgets.
- The Trust plans to hold minimum cash balances in excess of £2.0m at the end of each month confirming it has no plans to seek DH Revenue Support Loans in 2018/19.

- Contracts for Healthcare delivery have been signed for 2018/19 (£141.5m annual income), and for Adult Social Care (£23.5m annual income) a new 3 year Section 75 agreement started on 1st April 2017. This has included a significant increase in resource to allow the development of the Home First Service, which indicates commissioner confidence and support of the services currently provided by the Trust.

- Two services that were found by the CQC to be “inadequate” (Community Health Services for Adults and End of Life) have been revisited in 2018 and initial verbal feedback has been positive indicating that the services are unrecognisable from the 2015 inspection, and an improved rating is expected for both services imminently. This indicates a significant improvement in the quality of the services provided by the Trust.

The Trusts Directors have considered the appropriateness of the application of the going concern concept and potential material uncertainties. They have concluded that there are no material uncertainties and that if the Trust were to continue as a separate entity it would have sufficient resources to meet its operational liabilities.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. There, the schemes are accounted for as though they are defined contribution schemes.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment."

Some employees are members of the Local Government Superannuation Scheme, which is a defined benefit pension scheme. The cost to the Trust is equal to the contributions payable to the scheme for the accounting period plus the pro-rata proportion of £500k per annum of transferred staff remaining in the scheme.

A small number of employees who do not qualify to enter either of the NHS Pension Scheme or Local Government Superannuation Scheme are members of the National Employment Savings Trust (NEST). NEST is a defined contribution pension scheme.

Note 1.6 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

Note 1.7 Property, plant and equipment

Note 1.7.1 Recognition

Property, plant and equipment is capitalised where:

- 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 be provided to, the trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

Note 1.7.2 Measurement

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value where there are no restrictions preventing access to the market at the reporting date.

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use.
- Specialised buildings – depreciated replacement cost, modern equivalent asset basis.

HM Treasury 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.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowing costs. Assets are revalued and depreciation commences when they are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful economic lives or low values or both, as this is not considered to be materially different from current value in existing use.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

Note 1.7.3 Derecognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable ie:
 - management are committed to a plan to sell the asset
 - an active programme has begun to find a buyer and complete the sale
 - the asset is being actively marketed at a reasonable price
 - the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
 - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Note 1.7.4 Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their current value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Note 1.7.5 Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

"PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income."

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 assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value or, if lower, at the present value of the minimum lease payments, in accordance with the principles of IAS 17. Subsequently, the assets are measured at current value in existing use.

PFI Liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the

same amount as the initial value of the PFI assets 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 Income.

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 accrual 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 operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.]

Note 1.8.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably, and is at least £5,000

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- the trust intends to complete the asset and sell or use it
- the trust has the ability to sell or use the asset
- how the intangible asset will generate probable future economic or service delivery benefits, eg, the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the trust to complete the development and sell or use the asset and
- the trust can measure reliably the expenses attributable to the asset during development.

Software

Software which is integral to the operation of hardware, eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, eg application software, is capitalised as an intangible asset.

Note 1.8.2 Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or “fair value less costs to sell”.

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Note 1.8.3 Useful economic lives of intangible assets

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below:

	Min life Years	Max life Years
Information technology	-	-
Development expenditure	1	7
Websites	-	-
Software licences	1	5
Licences & trademarks	-	-
Patents	-	-
Other (purchased)	-	-
Goodwill	-	-

Note 1.9 Inventories

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

Note 1.10 Investment properties

Investment properties are measured at fair value. Changes in fair value are recognised as gains or losses in income/expenditure.

Only those assets which are held solely to generate a commercial return are considered to be investment properties. Where an asset is held, in part, for support service delivery objectives, then it is considered to be an item of property, plant and equipment. Properties occupied by employees, whether or not they pay rent at market rates, are not classified as investment properties.

The Trust does not hold any investment properties

Note 1.11 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.12 Financial instruments and financial liabilities

Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

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

Financial liabilities are recognised on the statement of financial position when the NHS 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.

Loans from the Department of Health are recognised at historic cost. Otherwise, financial liabilities are initially recognised at fair value.

De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and measurement

Financial assets are categorised as “fair value through income and expenditure”, loans and receivables or “available-for-sale financial assets”.

Financial liabilities are classified as “fair value through income and expenditure” or as “other financial liabilities”.

Financial assets and financial liabilities at “fair value through income and expenditure”

Financial assets and financial liabilities at “fair value through income and expenditure” are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Derivatives which are embedded in other contracts but which are not “closely-related” to those contracts are separated-out from those contracts and measured in this category. Assets and liabilities in this category are classified as current assets and current liabilities.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market.

The trust’s loans and receivables comprise: current investments, cash and cash equivalents, NHS receivables, accrued income and “other receivables”.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in long-term assets unless the trust intends to dispose of them within 12 months of the Statement of Financial Position date.

Available-for-sale financial assets are recognised initially at fair value, including transaction costs, and measured subsequently at fair value, with gains or losses recognised in reserves and reported in the Statement of Comprehensive Income as an item of “other comprehensive income”. When items classified as “available-for-sale” are sold or impaired, the accumulated fair value adjustments recognised are transferred from reserves and recognised in “finance costs” in the Statement of Comprehensive Income.]

Other financial liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Determination of fair value

For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from quoted market prices where possible, other by valuation techniques.

Impairment of financial assets

At the Statement of Financial Position date, the trust assesses whether any financial assets, other than those held at “fair value through income and expenditure” are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset’s carrying amount and the present value of the revised future cash flows discounted at the asset’s original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced directly through the use of a bad debt provision.

Note 1.14 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS resolution on behalf of the Trust is disclosed at note 33.2 but is not recognised in the Trust’s accounts.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any “excesses” payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.23 Transfers of functions to or from other NHS or local government bodies

The Trust has not transferred any functions in, or out, in 2017/18.

Note 1.24 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

Note 1.25 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 9 – Financial Instruments. The Trust believes that the adoption of this standard will have minimal or no impact on the Trusts financial statements.

IFRS 15 – Revenue Contracts with Customers. This standard will impact on the way NHS organisations account for partially or incomplete spells of care. Staffordshire and Stoke on Trent NHS Trust does not have incomplete spells at 31 March 2018 and therefore the adoption of this standard will have no impact on the Trust.

Note 2 Adult Social Care Pooled Budget

The Trust entered into a Section 75 agreement with Staffordshire County Council for the provision of Adult Social Care services on 1 April 2012. The initial term ended on 31 March 2015, and a second term contract for three years from 1 April 2015 was subsequently agreed. The Trust served notice during the second term with the contract ending on 31 March 2017. A revised Section 75 agreement has been agreed and commenced on 1 April 2017.

The Income the Trusts received from Staffordshire County Council in 2017/18 relating to the budget totalled £25m

Note 3 Operating Segments

The Trust Board is the Chief Operating Decision Maker. The Board receives reports and makes decisions on the basis of a single operating segment of health and social care. The financial results for this segment are the same as the primary statements.

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2017/18 £000	2016/17 £000
NHS England	17,005	15,649
Clinical commissioning groups	127,657	120,896
Department of Health and Social Care	-	-
Other NHS providers	4,099	7,714
NHS other	1	-
Local authorities	53,385	190,109
Non-NHS: private patients	-	-
Non-NHS: overseas patients (chargeable to patient)	-	-
NHS injury scheme	392	290
Non NHS: other	1,386	778
Total income from activities	203,925	335,436
Of which:		
Related to continuing operations	203,925	335,436
Related to discontinued operations	-	-

The reduction in income from Local Authorities relates to the restructuring of the Section 75 Contract with Staffordshire County Council which came in to effect from 1 April 2017. This includes the transfer to the County Council, of income and costs linked to the commissioning of Adult Social Care activities.

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2017/18	2016/17
	£000	£000
Income recognised this year	-	-
Cash payments received in-year	-	-
Amounts added to provision for impairment of receivables	-	-
Amounts written off in-year	-	-

Note 4 Other operating income

	2017/18	2016/17
	£000	£000
Research and development	530	1,045
Education and training	2,184	2,406
Receipt of capital grants and donations	-	-
Charitable and other contributions to expenditure	-	-
Non-patient care services to other bodies	2,500	87
Support from the Department of Health and Social Care for mergers	-	-
Sustainability and transformation fund income	-	-
Rental revenue from operating leases	670	814
Rental revenue from finance leases	-	-
Income in respect of staff costs where accounted on gross basis	-	-
Other income	311	5,044
Total other operating income	6,195	9,396
Of which:		
Related to continuing operations	6,195	9,396
Related to discontinued operations	-	-

Note 5 Fees and charges

	2017/18	2016/17
	£000	£000
Income	-	-
Full cost	-	-
Surplus / (deficit)	-	-

Note 6.1 Operating expenses

	2017/18	2016/17
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	7,393	8,470
Purchase of healthcare from non-NHS and non-DHSC bodies	513	1,097
Purchase of social care	316	138,322
Staff and executive directors costs	142,144	155,694
Remuneration of non-executive directors	99	77
Supplies and services - clinical (excluding drugs costs)	6,458	9,274
Supplies and services - general	3,893	4,382
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	10,884	9,407
Inventories written down	-	-
Consultancy costs	24	69
Establishment	11,337	13,489
Premises	8,275	7,267
Transport (including patient travel)	1,485	1,459
Depreciation on property, plant and equipment	1,440	1,674
Amortisation on intangible assets	677	457
Net impairments	(1,793)	3,748
Increase/(decrease) in provision for impairment of receivables	1,019	879
Increase/(decrease) in other provisions	-	-
Change in provisions discount rate(s)	-	-
Audit fees payable to the external auditor		
audit services- statutory audit	78	89
other auditor remuneration (external auditor only)	7	16
Internal audit costs	84	128
Clinical negligence	268	240
Legal fees	158	474
Insurance	-	8
Research and development	-	344
Education and training	346	591
Rentals under operating leases	9,716	11,383
Early retirements	-	-
Redundancy	4,810	5,359
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	3,826	3,877
Charges to operating expenditure for off-SoFP IFRIC 12 schemes	-	-
Car parking & security	-	-
Hospitality	-	2
Losses, ex gratia & special payments	-	-
Grossing up consortium arrangements	-	-

Other services, eg external payroll	-	-
Other	1,064	141
Total	214,521	378,417
Of which:		
Related to continuing operations	214,521	378,417
Related to discontinued operations	-	-

The reduction in expenditure for the purchase of social care relates to the restructuring of the Section 75 Contract with Staffordshire County Council which came in to effect from 1 April 2017. This includes the transfer to the County Council, of income and costs linked to the commissioning of Adult Social Care activities.

Note 6.2 Other auditor remuneration

	2017/18 £000	2016/17 £000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	7	16
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	7	16

Note 6.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £0.5m

Note 7 Impairment of assets

	2017/18 £000	2016/17 £000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	-	-
Over specification of assets	-	-
Abandonment of assets in course of construction	-	-
Unforeseen obsolescence	-	-
Loss as a result of catastrophe	-	-
Changes in market price	(1,793)	3,748
Other	-	-
Total net impairments charged to operating surplus / deficit	(1,793)	3,748
Impairments charged to the revaluation reserve	138	1,767
Total net impairments	(1,655)	5,515

The Trust commissioned Cushman and Wakefield to value its land and building values as at 31 March 2018. This has resulted in a number of impairments and reversal of impairments to be charged to SoCI.

Note 8 Employee benefits

	2017/18	2016/17
	Total	Total
	£000	£000
Salaries and wages	113,342	122,573
Social security costs	9,656	10,496
Apprenticeship levy	547	-
Employer's contributions to NHS pensions	13,305	14,358
Pension cost - other	1,876	2,363
Other post employment benefits	-	-
Other employment benefits	-	-
Termination benefits	4,810	5,359
Temporary staff (including agency)	4,618	6,576
Total gross staff costs	<u>148,154</u>	<u>161,725</u>
Recoveries in respect of seconded staff	<u>(1,200)</u>	<u>-</u>
Total staff costs	<u>146,954</u>	<u>161,725</u>
Of which		
Costs capitalised as part of assets	-	672

Note 8.1 Retirements due to ill-health

During 2017/18 there were 4 early retirements from the trust agreed on the grounds of ill-health (4 in the year ended 31 March 2017). The estimated additional pension liabilities of these ill-health retirements is £251k (£433k in 2016/17).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 9 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this ‘employer cost cap’ assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders

National Employment Savings Trust (NEST)

The Trust is required to comply with the change in workplace pension legislation and auto enrols employees into a pension scheme. Where the employee is not eligible to join the NHS Pension Scheme the Trust enrols the employee into NEST. NEST is a defined contribution pension scheme.

Local Government Pension Scheme (LGPS)

Trust employees who transferred into the organisation on 1st April 2012 as part of the S75 Pooled Budget arrangement are members of the Local Government Pension Scheme (LGPS) which is administered by the Staffordshire County Pension Fund. The scheme provides members with defined benefits relating to pay and service and the cost of the employers contributions is equal to the contributions paid to the funded pension scheme for these employees.

The Trust's liability of the scheme is capped at £500k multiplied by the percentage of transferred employees remaining in the scheme. This liability is recognised as an expense during the year and the Trust does not recognise any assets or liabilities in the Statement of Financial Position (SOFP).

Note 10 Operating leases

Note 10.1 Staffordshire and Stoke on Trent Partnership NHS Trust as a lessor

Staffordshire and Stoke on Trent Partnership NHS Trust is in receipt of income from GP's in relation to a number of health centres.

	2017/18 £000	2016/17 £000
Operating lease revenue		
Minimum lease receipts	670	814
Total	670	814
	31 March 2018 £000	31 March 2017 £000
Future minimum lease receipts due:		
- not later than one year;	670	814
Total	670	814

Note 10.2 Staffordshire and Stoke on Trent Partnership NHS Trust as a lessee

Staffordshire and Stoke on Trent Partnership NHS Trust has a number of lease arrangements for the occupation of properties with NHS Property Services Ltd and Community Health Partnerships. The contracts are for operating leases in respect of premises for the current financial year only. Additionally the Trust occupies a number of properties that it has lease arrangements for ranging over a number of years.

	2017/18 £000	2016/17 £000
Operating lease expense		
Minimum lease payments	9,716	11,383
Contingent rents	-	-
Less sublease payments received	-	-
Total	9,716	11,383
	31 March 2018 £000	31 March 2017 £000
Future minimum lease payments due:		
- not later than one year;	9,734	11,159
- later than one year and not later than five years;	1,504	1,922
- later than five years.	512	798
Total	11,750	13,879
Future minimum sublease payments to be received	-	-

Note 11 Finance income

Finance income represents interest received on assets and investments in the period.

	2017/18	2016/17
	£000	£000
Interest on bank accounts	34	34
Interest on impaired financial assets	-	-
Interest income on finance leases	-	-
Interest on other investments / financial assets	-	-
Other finance income	-	-
Total	34	34

Note 12.1 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money.

	2017/18	2016/17
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	1,367	350
Other loans	-	-
Overdrafts	-	-
Finance leases	-	-
Interest on late payment of commercial debt	3	-
Main finance costs on PFI and LIFT schemes obligations	1,139	1,166
Contingent finance costs on PFI and LIFT scheme obligations	762	677
Total interest expense	3,271	2,193
Unwinding of discount on provisions	-	-
Other finance costs	-	-
Total finance costs	3,271	2,193

Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2017/18	2016/17
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	-	-
Amounts included within interest payable arising from claims made under this legislation	3	-
Compensation paid to cover debt recovery costs under this legislation	-	-

Note 13 Other gains / (losses)

	2017/18	2016/17
	£000	£000
Gains on disposal of assets	-	-
Losses on disposal of assets	-	-
Total gains / (losses) on disposal of assets	<u>-</u>	<u>-</u>
Gains / (losses) on foreign exchange	-	-
Fair value gains / (losses) on investment properties	-	-
Fair value gains / (losses) on financial assets / investments	-	-
Fair value gains / (losses) on financial liabilities	-	-
Recycling gains / (losses) on disposal of available-for-sale financial investments	-	-
Total other gains / (losses)	<u><u>-</u></u>	<u><u>-</u></u>

Note 14 Discontinued operations

	2017/18	2016/17
	£000	£000
Operating income of discontinued operations	-	-
Operating expenses of discontinued operations	-	-
Gain on disposal of discontinued operations	-	-
(Loss) on disposal of discontinued operations	-	-
Corporation tax expense attributable to discontinued operations	-	-
Total	-	-

Note 15.1 Intangible assets - 2017/18

	Software licences	Internally generated information technology	Development expenditure	Intangible assets under construction	Other (purchased)	Total
	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2017 - brought forward	71	-	3,251	92	-	3,414
Transfers by absorption	-	-	-	-	-	-
Additions	13	-	-	-	-	13
Impairments	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Reclassifications	92	-	-	(92)	-	-
Transfers to/ from assets held for sale	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-
Gross cost at 31 March 2018	176	-	3,251	-	-	3,427
Amortisation at 1 April 2017 - brought forward	16	-	441	-	-	457
Transfers by absorption	-	-	-	-	-	-
Provided during the year	16	-	661	-	-	677
Impairments	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-
Amortisation at 31 March 2018	32	-	1,102	-	-	1,134
Net book value at 31 March 2018	144	-	2,149	-	-	2,293
Net book value at 1 April 2017	55	-	2,810	92	-	2,957

**Note 15.2 Intangible assets -
2016/17**

	Software licences £000	Internally generated information technology £000	Development expenditure £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2016 - as previously stated	283	-	-	-	-	283
Prior period adjustments	-	-	-	-	-	-
Valuation / gross cost at 1 April 2016 - restated	283	-	-	-	-	283
Transfers by absorption	-	-	-	-	-	-
Additions	-	-	974	92	-	1,066
Impairments	(212)	-	-	-	-	(212)
Reversals of impairments	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Reclassifications	-	-	2,277	-	-	2,277
Transfers to/ from assets held for sale	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-
Valuation / gross cost at 31 March 2017	71	-	3,251	92	-	3,414
Amortisation at 1 April 2016 - as previously stated	140	-	-	-	-	140
Prior period adjustments	-	-	-	-	-	-
Amortisation at 1 April 2016 - restated	140	-	-	-	-	140
Transfers by absorption	-	-	-	-	-	-
Provided during the year	16	-	441	-	-	457
Impairments	(140)	-	-	-	-	(140)
Reversals of impairments	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Transfers to/ from assets held for sale	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-
Amortisation at 31 March 2017	16	-	441	-	-	457
Net book value at 31 March 2017	55	-	2,810	92	-	2,957
Net book value at 1 April 2016	143	-	-	-	-	143

Intangible assets have not been revalued as historic cost is deemed to be a reasonable proxy for fair value.

The useful economic life of a software asset is determined by the duration of the licensing agreement but is typically in the range of 3 to 10 years. The life of development expenditure assets is in the range of 3 to 10 years as assessed by the Trust.

Note 16.1 Property, plant and equipment - 2017/18

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2017 - brought forward	12,538	66,220	134	3,076	2,040	174	84,182
Transfers by absorption	-	-	-	-	-	-	-
Additions	-	105	129	100	-	-	334
Impairments	-	(223)	-	-	-	-	(223)
Reversals of impairments	-	1,563	-	-	-	-	1,563
Revaluations	-	2,549	-	-	-	-	2,549
Reclassifications	-	19	(19)	-	-	-	-
Transfers to/ from assets held for sale	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-
Valuation/gross cost at 31 March 2018	12,538	70,233	244	3,176	2,040	174	88,405
Accumulated depreciation at 1 April 2017 - brought forward	-	111	-	2,337	1,781	174	4,403
Transfers by absorption	-	-	-	-	-	-	-
Provided during the year	-	1,073	-	265	102	-	1,440
Impairments	-	(30)	-	-	-	-	(30)
Reversals of impairments	-	(285)	-	-	-	-	(285)
Revaluations	-	(687)	-	-	-	-	(687)
Reclassifications	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-
Accumulated depreciation at 31 March 2018	-	182	-	2,602	1,883	174	4,841
Net book value at 31 March 2018	12,538	70,051	244	574	157	-	83,564
Net book value at 1 April 2017	12,538	66,109	134	739	259	-	79,779

Note 16.2 Property, plant and equipment - 2016/17

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2016 - as previously stated	12,709	65,420	2,505	3,154	7,470	2,365	93,623
Prior period adjustments	-	-	-	-	-	-	-
Valuation / gross cost at 1 April 2016 - restated	12,709	65,420	2,505	3,154	7,470	2,365	93,623
Transfers by absorption	-	-	-	-	-	-	-
Additions	-	91	94	49	-	-	234
Impairments	(200)	(1,094)	-	(127)	(5,430)	(2,191)	(9,042)
Reversals of impairments	-	-	-	-	-	-	-
Revaluations	291	1,757	-	-	-	-	2,048
Reclassifications	-	188	(2,465)	-	-	-	(2,277)
Transfers to / from assets held for sale	(262)	(142)	-	-	-	-	(404)
Disposals / derecognition	-	-	-	-	-	-	-
Valuation/gross cost at 31 March 2017	12,538	66,220	134	3,076	2,040	174	84,182
Accumulated depreciation at 1 April 2016 - as previously stated	-	43	-	2,097	3,573	1,365	7,078
Prior period adjustments	-	-	-	-	-	-	-
Accumulated depreciation at 1 April 2016 - restated	-	43	-	2,097	3,573	1,365	7,078
Transfers by absorption	-	-	-	-	-	-	-
Provided during the year	-	1,263	-	310	101	-	1,674
Impairments	-	(445)	-	(70)	(1,893)	(1,191)	(3,599)
Reversals of impairments	-	-	-	-	-	-	-
Revaluations	-	(750)	-	-	-	-	(750)
Reclassifications	-	-	-	-	-	-	-
Transfers to/ from assets held for sale	-	-	-	-	-	-	-
Disposals/ derecognition	-	-	-	-	-	-	-
Accumulated depreciation at 31 March 2017	-	111	-	2,337	1,781	174	4,403
Net book value at 31 March 2017	12,538	66,109	134	739	259	-	79,779
Net book value at 1 April 2016	12,709	65,377	2,505	1,057	3,897	1,000	86,545

Note 16.3 Property, plant and equipment financing - 2017/18

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2018									
Owned - purchased	12,538	48,986	-	244	574	-	157	-	62,499
Finance leased	-	-	-	-	-	-	-	-	-
On-SoFP PFI contracts and other service concession arrangements	-	21,007	-	-	-	-	-	-	21,007
PFI residual interests	-	-	-	-	-	-	-	-	-
Owned - government granted	-	-	-	-	-	-	-	-	-
Owned - donated	-	58	-	-	-	-	-	-	58
NBV total at 31 March 2018	12,538	70,051	-	244	574	-	157	-	83,564

Note 16.4 Property, plant and equipment financing - 2016/17

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2017									
Owned - purchased	12,538	46,395	-	134	739	-	259	-	60,065
Finance leased	-	-	-	-	-	-	-	-	-
On-SoFP PFI contracts and other service concession arrangements	-	19,655	-	-	-	-	-	-	19,655
PFI residual interests	-	-	-	-	-	-	-	-	-
Owned - government granted	-	-	-	-	-	-	-	-	-
Owned - donated	-	59	-	-	-	-	-	-	59
NBV total at 31 March 2017	12,538	66,109	-	134	739	-	259	-	79,779

Note 17 Donations of property, plant and equipment

The Trust has not received any Plant, Property or Equipment during 2017/18.

Note 18 Revaluations of property, plant and equipment

Land and Building assets have been revalued as at 31 March 2018. The valuation was carried out by an external RICS qualified valuer from the Trust's retained valuer Cushman & Wakefield.

The valuation is a calculation based on the estimated building cost and the remaining useful economic life.

The valuer has considered the works undertaken to the buildings by the Trust since the last valuation was carried out at 31 March 2017. These have not significantly changed the estimated building cost. This means that a significant part of the costs capitalised as buildings additions have subsequently been impaired. This is considered a pricing impairment, and not a permanent loss due to use of economic benefit.

The useful economic life of an asset is determined individually for each asset, but falls within the following ranges:

	Min Life Years	Max Life Years
Buildings	21	85
Plant & Machinery	4	24
Information Technology	1	8
Furniture & Fittings	4	24

Note 19.1 Investment Property

	2017/18 £000	2016/ 17 £000
Carrying value at 1 April - brought forward	-	-
Prior period adjustments	-	-
Carrying value at 1 April - restated	-	-
Transfers by absorption	-	-
Acquisitions in year	-	-
Movement in fair value	-	-
Reclassifications to/from PPE	-	-
Transfers to/from assets held for sale	-	-
Disposals	-	-
Carrying value at 31 March	-	-

Note 19.2 Investment property income and expenses

	2017/18	2016/17
	£000	£000
Direct operating expense arising from investment property which generated rental income in the period	-	-
Direct operating expense arising from investment property which did not generate rental income in the period	-	-
Total investment property expenses	<u>-</u>	<u>-</u>
Investment property income	-	-

Note 20 Investments in associates and joint ventures

	2017/18	2016/17
	£000	£000
Carrying value at 1 April - brought forward	-	-
Prior period adjustments	-	-
Carrying value at 1 April - restated	<u>-</u>	<u>-</u>
Transfers by absorption	-	-
Acquisitions in year	-	-
Share of profit / (loss)	-	-
Impairments	-	-
Reversal of impairment	-	-
Transfers to / from assets held for sale and assets in disposal groups	-	-
Disbursements / dividends received	-	-
Disposals	-	-
Share of Other Comprehensive Income recognised by joint ventures / associates	-	-
Other equity movements (translation gains / losses)	-	-
Carrying value at 31 March	<u>-</u>	<u>-</u>

Note 21 Other investments / financial assets (non-current)

	2017/18	2016/17
	£000	£000
Carrying value at 1 April - brought forward	-	-
Prior period adjustments	-	-
Carrying value at 1 April - restated	<u>-</u>	<u>-</u>
Transfers by absorption	-	-
Acquisitions in year	-	-
Movement in fair value	-	-
Net impairment	-	-
Transfers to / from assets held for sale and assets in disposal groups	-	-
Amortisation at the effective interest rate (assets held at amortised cost only where applicable)	-	-
Current portion of loans receivable transferred to current financial assets	-	-
Disposals	-	-
Carrying value at 31 March	<u>-</u>	<u>-</u>

Note 21.1 Other investments / financial assets (current)

	31 March 2018 £000	31 March 2017 £000
Loans receivable within 12 months transferred from non-current financial assets	-	-
NLF deposits (where not considered to be cash equivalents)	-	-
Other current financial assets	-	-
Total current investments / financial assets	-	-

Note 22 Disclosure of interests in other entities

The Trust has no interest in other entities

Note 23 Inventories

	31 March 2018 £000	31 March 2017 £000
Drugs	346	272
Work In progress	-	-
Consumables	79	299
Energy	9	10
Other	-	-
Total inventories	434	581
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £19,953k (2016/17: £22,061k). Write-down of inventories recognised as expenses for the year were £0k (2016/17: £0k).

Note 24.1 Trade receivables and other receivables

	31 March 2018 £000	31 March 2017 £000
Current		
Trade receivables	11,445	8,457
Capital receivables (including accrued capital related income)	-	-
Accrued income	1,491	11,701
Provision for impaired receivables	(1,609)	(835)
Deposits and advances	-	-
Prepayments (non-PFI)	2,903	3,231
PFI prepayments - capital contributions	-	-
PFI lifecycle prepayments	-	-
Interest receivable	-	-
Finance lease receivables	-	-
PDC dividend receivable	212	352
VAT receivable	157	544
Corporation and other taxes receivable	-	-
Other receivables	-	-
Total current trade and other receivables	<u>14,599</u>	<u>23,450</u>
Non-current		
Trade receivables	-	-
Capital receivables (including accrued capital related income)	-	-
Accrued income	176	194
Provision for impaired receivables	(40)	(44)
Deposits and advances	-	-
Prepayments (non-PFI)	-	-
PFI prepayments - capital contributions	-	-
PFI lifecycle prepayments	-	-
Interest receivable	-	-
Finance lease receivables	-	-
VAT receivable	-	-
Corporation and other taxes receivable	-	-
Other receivables	-	-
Total non-current trade and other receivables	<u>136</u>	<u>150</u>
Of which receivables from NHS and DHSC group bodies:		
Current	7,617	5,448
Non-current	-	-

The great majority of trade is with Clinical Commissioning Groups and Local Authorities, as commissioners for Patient Care Services and Adult Social Care Services. As Clinical Commissioning Groups and Local Authorities are funded by Government to buy services, no credit scoring of them is considered necessary.

Note 24.2 Provision for impairment of receivables

	2017/18	2016/17
	£000	£000
At 1 April as previously stated	879	-
Prior period adjustments	-	-
At 1 April - restated	879	-
Transfers by absorption	-	-
Increase in provision	2,217	879
Amounts utilised	(249)	-
Unused amounts reversed	(1,198)	-
At 31 March	1,649	879

The provision for receivables is based upon their respective age categorisation.

Receivables between 0-90 days are deemed current and thus have no corresponding provision unless the Trust has specific reason to provide for it.

Receivables exceeding 90 days carry a 100% provision unless a repayment plan is in place.

Note 24.3 Credit quality of financial assets

	31 March 2018		31 March 2017	
	Trade and other receivables	Investments & Other financial assets	Trade and other receivables	Investments & Other financial assets
	£000	£000	£000	£000
Ageing of impaired financial assets				
0 - 30 days	365	-	48	-
30-60 Days	7	-	46	-
60-90 days	412	-	26	-
90- 180 days	219	-	154	-
Over 180 days	548	-	502	-
Total	1,551	-	776	-
Ageing of non-impaired financial assets past their due date				
0 - 30 days	1,632	-	374	-
30-60 Days	1,004	-	222	-
60-90 days	1,917	-	19	-
90- 180 days	3,033	-	15	-
Over 180 days	2,267	-	583	-
Total	9,853	-	1,213	-

Note 25 Other assets

	31 March 2018 £000	31 March 2017 £000
Current		
EU emissions trading scheme allowance	-	-
Other assets	-	-
Short term PFI finance lease asset	-	-
Total other current assets	<u>-</u>	<u>-</u>
Non-current		
Net defined benefit pension scheme asset	-	-
Other assets	-	-
Total other non-current assets	<u>-</u>	<u>-</u>

Note 26 Non-current assets held for sale and assets in disposal groups

	2017/18 £000	2016/17 £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	854	450
Prior period adjustment	-	-
NBV of non-current assets for sale and assets in disposal groups at 1 April - restated	<u>854</u>	<u>450</u>
Transfers by absorption	-	-
Assets classified as available for sale in the year	-	404
Assets sold in year	-	-
Impairment of assets held for sale	-	-
Reversal of impairment of assets held for sale	-	-
Assets no longer classified as held for sale, for reasons other than disposal by sale	-	-
NBV of non-current assets for sale and assets in disposal groups at 31 March	<u>854</u>	<u>854</u>

The Trust is holding three properties for sale, namely, Biddulph Health Centre, West Chads Moor Clinic and Abbey Hulton Clinic.

Biddulph and Abbey Hulton are valued only as land as the expectation is the buildings will be demolished. Abbey Hulton is valued as both Land and Building as it is anticipated that it will be reburished and a change of use applied for.

All three properties are expected to complete their sales in early 2018/19.

Note 26.1 Liabilities in disposal groups

	31 March 2018 £000	31 March 2017 £000
Categorised as:		
Provisions	-	-
Trade and other payables	-	-
Other	-	-
Total	<u>-</u>	<u>-</u>

Note 27.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2017/18 £000	2016/17 £000
At 1 April	8,372	17,366
Prior period adjustments	-	-
At 1 April (restated)	8,372	17,366
Transfers by absorption	-	-
Net change in year	2,338	(8,994)
At 31 March	10,710	8,372
Broken down into:		
Cash at commercial banks and in hand	2	5
Cash with the Government Banking Service	10,708	8,367
Deposits with the National Loan Fund	-	-
Other current investments	-	-
Total cash and cash equivalents as in SoFP	10,710	8,372
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	10,710	8,372

Note 27.2 Third party assets held by the trust

The trust held cash and cash equivalents which relate to monies held by the the foundation trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2018 £000	31 March 2017 £000
Bank balances	-	-
Monies on deposit	-	-
Total third party assets	<u>-</u>	<u>-</u>

Note 28.1 Trade and other payables

	31 March 2018 £000	31 March 2017 £000
Current		
Trade payables	11,202	22,879
Capital payables	57	211
Accruals	5,964	7,979
Receipts in advance (including payments on account)	-	-
Social security costs	1,497	1,595
VAT payables	-	-
Other taxes payable	1,022	1,051
PDC dividend payable	-	-
Accrued interest on loans	191	-
Other payables	-	-
Total current trade and other payables	<u>19,933</u>	<u>33,715</u>
Non-current		
Trade payables	-	-
Capital payables	-	-
Accruals	-	-
Receipts in advance (including payments on account)	-	-
VAT payables	-	-
Other taxes payable	-	-
Other payables	-	-
Total non-current trade and other payables	<u>-</u>	<u>-</u>
Of which payables from NHS and DHSC group bodies:		
Current	5,058	2,693
Non-current	-	-

Note 28.2 Early retirements in NHS payables above

The payables note above includes amounts in relation to early retirements as set out below:

	31 March 2018 £000	31 March 2018 Number	31 March 2017 £000	31 March 2017 Number
- to buy out the liability for early retirements over 5 years	-		-	
- number of cases involved		-		-
- outstanding pension contributions	-		-	

Note 29 Other financial liabilities

	31 March 2018 £000	31 March 2017 £000
Current		
Derivatives held at fair value through income and expenditure	-	-
Other financial liabilities	-	-
Total	<u>-</u>	<u>-</u>
Non-current		
Derivatives held at fair value through income and expenditure	-	-
Other financial liabilities	-	-
Total	<u>-</u>	<u>-</u>

Note 30 Other liabilities

	31 March 2018 £000	31 March 2017 £000
Current		
Deferred income	447	709
Deferred grants	-	-
PFI deferred income / credits	-	-
Lease incentives	-	-
Total other current liabilities	<u>447</u>	<u>709</u>
Non-current		
Deferred income	-	-
Deferred grants	-	-
PFI deferred income / credits	-	-
Lease incentives	-	-
Net pension scheme liability	-	-
Total other non-current liabilities	<u>-</u>	<u>-</u>

Note 31 Borrowings

	31 March 2018 £000	31 March 2017 £000
Current		
Bank overdrafts	-	-
Drawdown in committed facility	-	-
Loans from the Department of Health and Social Care	-	-
Other loans	-	-
Obligations under finance leases	-	-
PFI lifecycle replacement received in advance	-	-
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	871	1,930
Total current borrowings	<u>871</u>	<u>1,930</u>
Non-current		
Loans from the Department of Health and Social Care	40,100	26,800
Other loans	-	-
Obligations under finance leases	-	-
PFI lifecycle replacement received in advance	-	-
Obligations under PFI, LIFT or other service concession contracts	32,841	32,636
Total non-current borrowings	<u>72,941</u>	<u>59,436</u>

Note 32 Finance leases

Note 32.1 Staffordshire and Stoke on Trent Partnership NHS Trust as a lessor

	31 March 2018 £000	31 March 2017 £000
Gross lease receivables	-	-
of which those receivable:		
- not later than one year;	-	-
- later than one year and not later than five years;	-	-
- later than five years.	-	-
Unearned interest income	-	-
Allowance for uncollectable lease payments	-	-
Net lease receivables	-	-
of which those receivable:		
- not later than one year;	-	-
- later than one year and not later than five years;	-	-
- later than five years.	-	-
The unguaranteed residual value accruing to the lessor	-	-
Contingent rents recognised as income in the period	-	-

Note 32.2 Staffordshire and Stoke on Trent Partnership NHS Trust as a lessee

	31 March 2018 £000	31 March 2017 £000
Gross lease liabilities	-	-
of which liabilities are due:		
- not later than one year;	-	-
- later than one year and not later than five years;	-	-
- later than five years.	-	-
Finance charges allocated to future periods	-	-
Net lease liabilities	-	-
of which payable:		
- not later than one year;	-	-
- later than one year and not later than five years;	-	-
- later than five years.	-	-
Total of future minimum sublease payments to be received at the reporting date	-	-
Contingent rent recognised as an expense in the period	-	-

Note 35 Contractual capital commitments

	31 March 2018 £000	31 March 2017 £000
Property, plant and equipment	128	-
Intangible assets	-	497
Total	128	497

Note 36 Other financial commitments

The trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	31 March 2018 £000	31 March 2017 £000
not later than 1 year	-	-
after 1 year and not later than 5 years	-	-
paid thereafter	-	-
Total	-	-

Note 37 Defined benefit pension schemes

The Trust does not operate any Defined Pension Schemes

Note 37.1 Changes in the defined benefit obligation and fair value of plan assets during the year

	2017/18 £000	2016/17 £000
Present value of the defined benefit obligation at 1 April	-	-
Prior period adjustment	-	-
Present value of the defined benefit obligation at 1 April - restated	<u>-</u>	<u>-</u>
Transfers by absorption	-	-
Current service cost	-	-
Interest cost	-	-
Contribution by plan participants	-	-
Remeasurement of the net defined benefit (liability) / asset:		
- Actuarial (gains) / losses	-	-
Benefits paid	-	-
Past service costs	-	-
Business combinations	-	-
Curtailments and settlements	-	-
Present value of the defined benefit obligation at 31 March	<u><u>-</u></u>	<u><u>-</u></u>
Plan assets at fair value at 1 April	-	-
Prior period adjustment	-	-
Fair value of plan assets at 1 April -restated	<u>-</u>	<u>-</u>
Transfers by normal absorption	-	-
Interest income	-	-
Remeasurement of the net defined benefit (liability) / asset		
- Return on plan assets	-	-
- Actuarial gain / (losses)	-	-
- Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Contributions by the employer	-	-
Contributions by the plan participants	-	-
Benefits paid	-	-
Business combinations	-	-
Settlements	-	-
Plan assets at fair value at 31 March	<u><u>-</u></u>	<u><u>-</u></u>
Plan surplus/(deficit) at 31 March	<u><u>-</u></u>	<u><u>-</u></u>

Note 37.2 Reconciliation of the present value of the defined benefit obligation and the present value of the plan assets to the assets and liabilities recognised in the balance sheet

	31 March 2018 £000	31 March 2017 £000
Present value of the defined benefit obligation	-	-
Plan assets at fair value at	-	-
Fair value of any reimbursement right	-	-
The effect of the asset ceiling	-	-
Net (liability) / asset recognised in the SoFP	<u>-</u>	<u>-</u>

Note 37.3 Amounts recognised in the SoCI

	2017/18 £000	2016/17 £000
Current service cost	-	-
Interest expense / income	-	-
Past service cost	-	-
Losses on curtailment and settlement	-	-
Total net (charge) / gain recognised in SOCI	<u>-</u>	<u>-</u>

Note 38 On-SoFP PFI, LIFT or other service concession arrangements

The Trust has a PFI commitment relating to the Haywood Hospital, a community hospital, that was redeveloped as part of an overall scheme “fit for the future” secondary care developments in North Staffordshire.

The Contract commenced 2007 (taken on by the Trust in 2013) for a period of 37 years ending in 2044. A monthly unitary payment for the use of the facility, and the provision of housekeeping, portering, catering & estates maintenance services, will be paid up to that point.

The unitary payment is subject to annual increases in line with RPI. Services are subject to market testing every 7 years. The arrangement requires the operator to deliver services to the Trust in accordance with the service delivery specification.

Non delivery of quality or performance can lead to a reduction in the service charge being paid by the Trust. The Trust retains step in rights should the contractor fail to meet minimum standards as set out within the contract. Under IFRIC 12 the asset is treated as an asset of the trust. The substance of the contract is that the trust has a financial lease and payments comprise 2 elements – imputed finance lease charges and service charges. Details of the imputed finance lease charges are included within the table below.

Note 38.1 Imputed finance lease obligations

Staffordshire and Stoke on Trent Partnership NHS Trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI and LIFT schemes:

	31 March 2018 £000	31 March 2017 £000
Gross PFI, LIFT or other service concession liabilities	51,024	53,017
Of which liabilities are due		
- not later than one year;	1,982	1,993
- later than one year and not later than five years;	7,892	7,910
- later than five years.	41,150	43,114
Finance charges allocated to future periods	(17,312)	(18,451)
Net PFI, LIFT or other service concession arrangement obligation	33,712	34,566
- not later than one year;	871	1,930
- later than one year and not later than five years;	3,745	7,067
- later than five years.	29,096	25,569

Note 38.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future obligations under these on-SoFP schemes are as follows:

	31 March 2018 £000	31 March 2017 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	233,201	243,449
Of which liabilities are due:		
- not later than one year;	6,581	6,553
- later than one year and not later than five years;	27,679	27,562
- later than five years.	198,941	209,334

When calculating the future unitary charge the Trust has applied an inflation increase in line with the prevailing Retail Price Index (RPI) and discounted those commitments in line with Treasury lending rate for NHS Trusts.

Note 38.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the trust's payments in 2017/18:

	2017/18	2016/17
	£000	£000
Unitary payment payable to service concession operator	6,581	6,553
Consisting of:		
- Interest charge	1,139	1,166
- Repayment of finance lease liability	854	833
- Service element and other charges to operating expenditure	3,638	3,682
- Capital lifecycle maintenance	-	-
- Revenue lifecycle maintenance	188	195
- Contingent rent	762	677
- Addition to lifecycle prepayment	-	-
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	-	-
Total amount paid to service concession operator	6,581	6,553

Note 39 Off-SoFP PFI, LIFT and other service concession arrangements

Staffordshire and Stoke on Trent Partnership NHS Trust incurred the following charges in respect of off-Statement of Financial Position PFI and LIFT obligations:

	31 March	31 March 2017
	2018	2017
	£000	£000
Charge in respect of the off SoFP PFI, LIFT or other service concession arrangement for the period	-	-
Commitments in respect of off-SoFP PFI, LIFT or other service concession arrangements:		
- not later than one year;	-	-
- later than one year and not later than five years;	-	-
- later than five years.	-	-
Total	-	-

Note 40 Financial instruments

Note 40.1 Financial risk management

Financial reporting standard 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 continuing service provider relationship that the Trust has with Commissioners and the way those Commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has 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 Trust in undertaking its activities.

The Trusts's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the Board of Directors. The Trust's treasury activity is subject to review by the Trust's internal auditors on an annual basis.

Currency risk

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

Interest rate risk

The Trust borrows from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

The Trust has borrowed from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken and it is fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2018 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament . The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

Note 40.2 Carrying values of financial assets

	Loans and receivables £000	Assets at fair value through the I&E £000	Held to maturity at £000	Available- for-sale £000	Total book value £000
Assets as per SoFP as at 31 March 2018					
Embedded derivatives	-	-	-	-	-
Trade and other receivables excluding non financial assets	11,271	-	-	-	11,271
Other investments / financial assets	-	-	-	-	-
Cash and cash equivalents at bank and in hand	10,710	-	-	-	10,710
Total at 31 March 2018	21,981	-	-	-	21,981

	Loans and receivables £000	Assets at fair value through the I&E £000	Held to maturity £000	Available- for-sale £000	Total book value £000
Assets as per SoFP as at 31 March 2017					
Embedded derivatives	-	-	-	-	-
Trade and other receivables excluding non financial assets	19,867	-	-	-	19,867
Other investments / financial assets	-	-	-	-	-
Cash and cash equivalents at bank and in hand	8,372	-	-	-	8,372
Total at 31 March 2017	28,239	-	-	-	28,239

Note 40.3 Carrying value of financial liabilities

	Other financial liabilities £000	Liabilities at fair value through the I&E £000	Total book value £000
Liabilities as per SoFP as at 31 March 2018			
Embedded derivatives	-	-	-
Borrowings excluding finance lease and PFI liabilities	40,100	-	40,100
Obligations under finance leases	-	-	-
Obligations under PFI, LIFT and other service concession contracts	33,712	-	33,712
Trade and other payables excluding non financial liabilities	17,636	-	17,636
Other financial liabilities	-	-	-
Provisions under contract	-	-	-
Total at 31 March 2018	91,448	-	91,448

	Other financial liabilities £000	Liabilities at fair value through the I&E £000	Total book value £000
Liabilities as per SoFP as at 31 March 2017			
Embedded derivatives	-	-	-
Borrowings excluding finance lease and PFI liabilities	26,800	-	26,800
Obligations under finance leases	-	-	-
Obligations under PFI, LIFT and other service concession contracts	34,566	-	34,566
Trade and other payables excluding non financial liabilities	31,069	-	31,069
Other financial liabilities	-	-	-
Provisions under contract	-	-	-
Total at 31 March 2017	92,435	-	92,435

Note 40.4 Fair values of financial assets and liabilities

The Trust views book value (carrying value) is a reasonable approximation of fair value

Note 40.5 Maturity of financial liabilities

	31 March 2018 £000	31 March 2017 £000
In one year or less	18,507	31,923
In more than one year but not more than two years	904	871
In more than two years but not more than five years	42,942	29,572
In more than five years	<u>29,095</u>	<u>30,069</u>
Total	<u>91,448</u>	<u>92,435</u>

Note 41 Losses and special payments

	2017/18		2016/17	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	-	-	3	0
Fruitless payments	-	-	-	-
Bad debts and claims abandoned	-	-	8	5
Stores losses and damage to property	-	-	7	2
Total losses	-	-	18	7
Special payments				
Compensation under court order or legally binding arbitration award	-	-	-	-
Extra-contractual payments	-	-	-	-
Ex-gratia payments	-	-	15	14
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	-	-	15	14
Total losses and special payments	-	-	33	20
Compensation payments received		-		-

Note 42 Gifts

	2017/18		2016/17	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Total gifts	-	-	-	-

Note 44 Transfers by absorption

There have been no transfers by absorption in the year where the trust has been either the receiving or divesting party.

Note 45 Prior period adjustments

The Trust has made no adjustments to Prior Period

Note 46 Events after the reporting date

During 2017/18 the Trust declared its intention to be acquired by South Staffordshire and Shropshire Healthcare NHS Foundation Trust (SSSFT). Subject to the agreement of the Trusts Regulatory Body this acquisition will be enacted on 1 June 2018. SSSFT will be responsible for the publication of the audited 2017/18 accounts and annual report and for the production, agreement and publication of the 2018/19 part year accounts.

Note 47 Better Payment Practice code

	2017/18 Number	2017/18 £000	2016/17 Number	2016/17 £000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	23,257	62,326	33,378	190,402
Total non-NHS trade invoices paid within target	<u>21,143</u>	<u>56,290</u>	<u>28,168</u>	<u>180,495</u>
Percentage of non-NHS trade invoices paid within target	<u>90.9%</u>	<u>90.3%</u>	<u>84.4%</u>	<u>94.8%</u>
NHS Payables				
Total NHS trade invoices paid in the year	1,944	25,906	1,963	38,836
Total NHS trade invoices paid within target	<u>1,103</u>	<u>14,330</u>	<u>1,072</u>	<u>16,181</u>
Percentage of NHS trade invoices paid within target	<u>56.74%</u>	<u>55.32%</u>	<u>54.61%</u>	<u>41.66%</u>

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 48 External financing

The trust is given an external financing limit against which it is permitted to underspend:

	2017/18 £000	2016/17 £000
Cash flow financing	10,108	34,961
Finance leases taken out in year	0	0
Other capital receipts	<u>0</u>	<u>0</u>
External financing requirement	<u>10,108</u>	<u>34,961</u>
External financing limit (EFL)	<u>11,086</u>	<u>34,961</u>
Under / (over) spend against EFL	<u>978</u>	<u>-</u>

Note 49 Capital Resource Limit

	2017/18 £000	2016/17 £000
Gross capital expenditure	347	1,300
Less: Disposals	-	-
Less: Donated and granted capital additions	-	-
Plus: Loss on disposal of donated/granted assets	<u>-</u>	<u>-</u>
Charge against Capital Resource Limit	<u>347</u>	<u>1,300</u>
Capital Resource Limit	<u>2,833</u>	<u>7,980</u>
Under / (over) spend against CRL	<u>2,486</u>	<u>6,680</u>

Note 50 Breakeven duty financial performance

	2017/18
	£000
Adjusted financial performance surplus / (deficit) (control total basis)	(9,995)
Remove impairments scoring to Departmental Expenditure Limit	-
Add back income for impact of 2016/17 post- accounts STF reallocation	-
Add back non-cash element of On-SoFP pension scheme charges	-
Remove CQUIN risk reserve adjustment	<u>527</u>
Breakeven duty financial performance surplus / (deficit)	<u><u>(9,468)</u></u>

Note 51 Breakeven duty rolling assessment

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		-	-	1,527	2,004	509	(3,747)	604	(32,934)	(9,468)
Breakeven duty cumulative position	-	-	-	1,527	3,531	4,040	293	897	(32,037)	(41,505)
Operating income		-	-	204,268	372,746	367,539	372,486	372,553	344,832	210,120
Cumulative breakeven position as a percentage of operating income		0.00%	0.00%	0.75%	0.95%	1.10%	0.08%	0.24%	-9.29%	-19.75%

Independent auditor's report to the Directors of Staffordshire and Stoke on Trent Partnership NHS Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Staffordshire and Stoke on Trent Partnership NHS Trust (the 'Trust') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Department of Health and Social Care Group Accounting Manual 2017-18 and the requirements of the National Health Service Act 2006.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2018 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2017-18; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the Directors of the Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Trust's Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter – Demise of the organisation

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1.1.2 in the financial statements. This discloses that Staffordshire and Stoke on Trent Partnership NHS Trust is due to be acquired by South Staffordshire and Shropshire Healthcare NHS Foundation Trust on 1 June 2018 and that its services will be provided, using the same assets, by the successor organisation. .

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report set out on pages 4 to 47, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of our work including that gained through work in relation to the Trust's arrangements for securing value for money through economy, efficiency and effectiveness in the use of its resource or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the guidance issued by NHS Improvement or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration Report and Staff Report to be audited have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2017-18 and the requirements of the National Health Service Act 2006; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust gained through our work in relation to the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice we are required to report to you if:

- we have reported a matter in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we have referred a matter to the Secretary of State under Section 30 of the Local Audit and Accountability Act 2014 because we had reason to believe that the Trust, or an officer of the Trust, was about to make, or had made, a decision which involved or would involve the body incurring unlawful expenditure, or was about to take, or had begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we have made a written recommendation to the Trust under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Directors and Those Charged with Governance for the financial statements

As explained more fully in the Statement of Director's Responsibilities set out on page 35, the Directors are responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions, for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trust lacks funding for its continued existence or when policy decisions have been made that affect the services provided by the Trust.

The Audit Committee is Those Charged with Governance.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on other legal and regulatory requirements – Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception - Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice we are required to report to you if, in our opinion we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

We have nothing to report in respect of the above matter.

Responsibilities of the Accountable Officer

As explained in the Statement of the Chief Executive's Responsibilities, as the Accountable Officer of the Trust, the Accountable Officer is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 21(3)(c) and Schedule 13 paragraph 10(a) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, as to whether in all significant respects, the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018, and to report by exception where we are not satisfied.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Report on other legal and regulatory requirements – Certificate

We certify that we have completed the audit of the financial statements of Staffordshire and Stoke on Trent Partnership NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Richard Percival

Richard Percival
Associate Director
for and on behalf of Grant Thornton UK LLP

The Colmore Building
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BIRMINGHAM
West Midlands
B4 6AT

25 May 2018

