

# Annual Report and Accounts 2018/19





Sheffield Health and Social Care NHS  
Foundation Trust

Annual Report and Accounts 2018/19

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## **Section 1.0 Welcome from the Chair and Chief Executive**

### **Welcome to our Annual Report for 2018/19**

As ever, our annual report is an opportunity to reflect on the successes and challenges of the past 12 months as we work together with staff, service users, volunteers, carers, Governors, partners, members and the people of Sheffield to achieve our vision to improve the mental, physical and social wellbeing of the people in our communities.

In July people across the country celebrated the 70<sup>th</sup> birthday of the NHS. It was fantastic to come together with our staff, service users, carers, partners and everyone else to highlight and celebrate this amazing national institution. From fun runs, to quilts, from tea parties, to a thanksgiving service at the Cathedral, there was a wonderful array of events and activities in which to take part.

But this important birthday also offered an opportunity to reflect on how far we have come in the last 70 years, to take stock of where we are and to refocus our ambitions for the future. The NHS is woven into the very fabric of our lives. It is there when we are at our most vulnerable, when we are in pain, when we are submerged in despair. It is also there at some of the most joyful moments in our lives, when we celebrate new life or a new lease of life.

Key to the success of the Trust is the involvement of service users, carers and families in our work – we listen and act on their views and experiences and involve them directly in service improvements and developments.

To achieve our vision, our focus is on three broad areas: wellness and prevention, homes not hospitals and wellbeing and recovery.

Wellness and prevention is not just about supporting people to access treatment and support as early as possible, for example, in our Improving Access to Psychological Therapies (IAPT) Service, which provides access to psychological therapies for people suffering from mild to moderate depression, anxiety or stress, or our Early Intervention in Psychosis Service, which offers care for those assessed and identified as experiencing ARMS (At Risk Mental State), FEP (First Episode Psychosis) and Suspected Psychosis. It also focuses on screening and physical health programmes in our general practice and primary care services. This helps us address the physical healthcare needs of our service users. Tragically it is still the case that people with learning disabilities and serious mental illnesses die, on average, 20 years sooner than the general population.

Our general practice and primary care services, delivered in partnership with Primary Care Sheffield, work closely with Darnall Wellbeing, a local, not-for-profit, health organisation working to help the people of Darnall, Tinsley and neighbouring areas stay well; ASSIST Sheffield, which helps destitute asylum seekers by providing accommodation, advice and other support to those in most need or distress; Ashiana Sheffield, a service primarily for Black, Asian, minority ethnic and refugee (BAMER) women, young people and children affected by abuse; and a variety of other third sector organisations to provide integrated care to patients. The relationship goes beyond core general practice and supports the advocacy of patients' holistic needs. This has been further strengthened by the co-location of Darnall Citizens Advice in the surgery at Darnall with weekly drop-ins and booked appointments.

Wellness and prevention is also a focus for our work with partner organisations in the local community to address issues around housing, employment and social isolation which we know can negatively impact physical and mental wellbeing. Initiatives such as Building Better Opportunities, to support adults from across the region to find employment, and the Health Led Employment Trial WorkingWin, a trial testing a new employment support service for people with a health condition, (both delivered in partnership with South Yorkshire Housing Association) are making a real difference. This year we also became part of a new Public Health England trial looking at whether employment support can help with recovery for people who use our drug or alcohol services.

Homes not hospitals is about, wherever possible, providing services to people in their own homes, empowering them to live independent, fulfilled lives while also supporting people in their relationships, accepting that sometimes they need a break from those relationships. To help make this vision a reality our recent work has focused on reducing out of city admissions, minimising lengths of hospital stay and reducing the total number of beds we offer. We were very proud to open a Decisions Unit towards the end of this year. This is the first such unit in Sheffield and it aims to improve the support available for people who are vulnerable to, experiencing or recovering from a mental health crisis.

While remaining at home is the best option for most people, some people require support in an inpatient environment. These facilities need to be modern and fit for the 21st Century. The redevelopment of Grenoside Grange and the building of Firshill Rise over the past few years have ensured that we now provide good environments for people with dementia and a learning disability. However, our acute mental health beds are not what people have the right to expect in this day and age.

This year our Board of Directors and Council of Governors supported the move to a full business case for the redevelopment of the Longley Centre site to provide all our acute beds for our mental health services. We are hopeful that the new service will be up and running by 2021. With the redevelopment of the Longley Centre we will finally provide the mental health inpatient environment (for people who stay in hospital at least one night) that service users and staff need and deserve.

In addition, over the past 18 months we have secured funding to increase our adult Place of Safety provision (Section 136 of the Mental Health Act gives the police the power to remove a person from a public place, when they appear to be suffering from a mental disorder, to a place of safety); support the development of the Mental Health Liaison Service, which provides round-the-clock mental health assessment and care to patients of Sheffield Teaching Hospitals NHS Foundation Trust who are over the age of 16, and guaranteed the expansion of the Perinatal Mental Health Service, a specialist mental health service for women with mental health problems who are planning a pregnancy, are already pregnant or have given birth in the last 12 months.

We have also begun conversations with our service users with a learning disability and their families, friends and carers about how we can provide better and more intensive community support to enable people to live independently at home.

Recovery and maintaining wellbeing is equally important. We know that recovery means very different things to different people and that recovery has a range of meanings. For us, recovery is about improving wellbeing, finding hope for the future, discovering new opportunities, gaining control over your life and being able to pursue your own personal goals and ambitions. All our clinical services embrace this model whether they are mental



or physical health focused. In addition, clinical services such as the Short Term Educational Programme (STEP), which offers a range of recovery and preventative educational programmes primarily to service users that have identified short term needs, and initiatives like the Recovery College, which aims to help people achieve their optimum level of recovery in a collaborative, flexible, and non-judgmental way, support service users to take ownership of their wellbeing and empower them through active choice.

Our growing partnerships with other NHS organisations, statutory and voluntary sector organisations give us the opportunity to explore new ways of delivering services which are innovative, de-stigmatising and support service users to access mainstream activities and services (supporting recovery, wellbeing and care closer to home). We are proud to be part of the South Yorkshire and Bassetlaw Integrated Care System which offers us a very real opportunity to work together with our NHS and social care partners across the region to adopt a whole person approach to care.

We end this year in a good financial position and on behalf of the Board we would like to extend our thanks to all our staff for their efforts over the past 12 months. Many aspects of what we do are becoming increasingly challenging but, despite this backdrop, our 2,400 staff continue to display commendable commitment and dedication. Our staff help to improve people's lives every day and we thank them all.

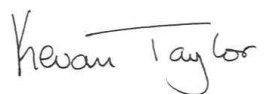
We know that our staff are our most important asset and over the past 12 months we have prioritised staff engagement and wellbeing, with a particular focus on engagement between front line staff and the wider leadership. We are investing in our organisational development and introducing Listening into Action to strengthen working between staff and leaders. We want a culture where everyone feels respected, engaged, heard and valued and we want to make sure our staff are supported to deliver the high quality, compassionate care we aspire to provide. We will continue to make staff engagement and wellbeing a priority, not just for this year, but for every year.

We hope you find this annual report an interesting and informative summary of our recent performance and what we have been doing to improve safety, clinical effectiveness and the experience of people who use our services, and their families and carers.

With best wishes



Jayne Brown OBE  
Chair



Kevan Taylor  
Chief Executive

## **Section 2.0 Performance Report**

### **2.1 Performance Overview**

#### **Statement from Kevan Taylor, Chief Executive Officer**

***This section is to help you understand more about our organisation, what we do, how we've performed over the last year and the challenges we face.***

***Kevan Taylor, Chief Executive***

#### **Some of the highlights of our year**

We are constantly working to improve our services and respond to the views and needs of our service users, their carers and families, and our staff. Over the year we held a series of staff and service user conferences to work on the most important issues we face – safer care, compassionate care, quality improvement, learning from change, and equality and diversity.

We began conversations with our service users with a learning disability, their family, friends and carers and our staff about how we can better deliver our learning disability services. We also talked to our partner organisations and third sector providers about how we can support people with a learning disability to live as independently as possible in their homes, not hospitals, close to their families, friends and their local communities. We believe that our current model of learning disability care is too focused on inpatient care and needs to change. We want to invest in our learning disability community services and be able to offer more intensive community support and we will work together to achieve this.

In July the Care Quality Commission (CQC) inspected eight core services and published their inspection report in October. The report reflects the results of these inspections as well as the findings from the previous inspection in 2016. Across our 10 inpatient and community services, the CQC gave an overall rating of good for six services and requires improvement for three services. The report gave an outstanding rating for community-based mental health services for older people.

We were rated good for effective, caring and responsive, and requires improvement for safe and well-led, resulting in an overall rating of requires improvement.

We welcomed Sandie Keene and Professor Laura Serrant to our Board of Directors as Non-Executive Directors. Sandie and Laura are highly experienced in social care and health and further strengthen our Board of Directors. Laura was recognised in the Queen's Birthday Honours list in June and awarded an OBE for services to health.

Our Intensive Rehabilitation Service at Forest Close, which provides individual care to people with severe and enduring mental health needs, achieved accreditation for rehabilitation inpatient services with the College Centre for Quality Improvement (CCQI) run by the Royal College of Psychiatrists.

Our IAPT Services also received accreditation through the CCQI run by the Royal College of Psychiatrists and the British Psychological Society for psychological services. This is the equivalent of a good Care Quality Commission rating.

Also accredited through the Royal College of Psychiatrists are the Memory Service (which aims to increase the number of people who receive early assessment and diagnosis of dementias, to provide pharmacological treatments) the Liaison Service and Home Treatment Team South (which provides short term intensive support to individuals who would otherwise require admission to hospital).

We welcomed Brendan Stone to our Board of Directors. Brendan is a Professor of Social Engagement and the Humanities, and Deputy Vice President for Education at the University of Sheffield. He is our University Associate Non-Executive Director which builds on his long association with us, dating back to 2008 when Brendan became one of our first service user governors.

We opened a new Decisions Unit thanks to a funding award of £416,000 from the national £15 million Beyond Places of Safety Scheme run by the Department of Health and Social Care. The scheme aims to improve support for people who are vulnerable to, experiencing or recovering from a mental health crisis. With facilities to support up to eight people, the unit is open 24 hours a day and hosts a range of mental health experts who can assess needs and provide appropriate support.

Three of our services and programmes were winners at the Positive Practice in Mental Health Awards 2018: Ward G1 (dementia inpatient unit), Forest Close Intensive Rehabilitation Service and our RESPECT training programme (recognised for eliminating the use of face-down restraint throughout the trust's services). Our Liaison Service and Community Enhanced Recovery Team (intensive rehabilitation and recovery team to deliver packages of care to people in their own homes for up to 24 hours per day as an alternative to hospital admission) were highly commended finalists. Ward G1 had double success, winning in one category and being a highly commended finalist in another.

In partnership with Rotherham Doncaster and South Humber NHS Foundation Trust and Light, a local perinatal peer support charity, we launched a new and expanded Perinatal Mental Health Service. The service offers confidential, non-judgmental care and treatment to mums who experience more serious or complex mental health needs.

Our programme to reduce restrictive interventions across all our services won the 'Chamberlain Dunn Learning Award for Education, Learning and Development' at the Healthcare People Management Association (HPMA) Excellence in HRM Awards 2018. Our RESPECT training programme focuses on the importance of empathy and compassion in understanding why people may display disturbed behaviour. The training emphasises the use of de-escalation techniques before the use of any physical interventions, such as restraint.

### **Did you know?**

We continue to lead the way nationally in eliminating the use of face down restraint on our inpatient wards. In the past three years there has been no use of face down restraint within our services.

To mark the 70th anniversary of the NHS (and our 10th anniversary of becoming a Foundation Trust) we held a charity fun run to bring together staff, service users, carers and their families to celebrate everything we love about the NHS. Over 100 people took part and we had a wonderful morning in Millhouses Park.

Our wonderful staff and volunteers were placed centre stage at our Recognition and Achievement Awards in February 2019 – where we celebrated outstanding achievement and quality improvement across the organisation. We were also proud to be joined by our long service colleagues who have worked with us for more than 30 years.

We celebrated the 10<sup>th</sup> anniversary of our IAPT Service. IAPT supports over 12,000 people a year who experience stress, low mood or worry. Our IAPT Service has also developed a specialist health and wellbeing service which offers support to people with long term physical health conditions such as diabetes and is now entering its second year.

Our respite and recovery service at Wainwright Crescent, which provides a city wide residential respite resource to adults with mental health needs, was rated as good in all five domains by the Care Quality Commission.

All our GP primary care services, delivered in partnership with Primary Care Sheffield, are rated as good in all five domains by the Care Quality Commission

We teamed up with South Yorkshire Housing Association (SYHA) to urge other NHS organisations across the country to consider a new model that has successfully helped people in locked out-of-area mental health inpatient units return to Sheffield. The LivingWell model is a groundbreaking partnership between SYHA and the Trust which has brought nearly 50 people back to Sheffield since the project began more than three years ago.

Our results for PLACE (Patient Led Assessment of the Care Environment) 2018 were above the national average in all domains and achieved eight 100% outcomes. PLACE is a national self-assessment process for assessing the quality of the hospital environment and covers cleanliness, food and hydration, privacy, dignity and wellbeing, and condition, appearance and maintenance in areas which are accessible to service users and the public. The assessments are completed by teams of staff and members of the public, also known as patient assessors.

### **Listening and responding**

The best way of providing high quality, effective and responsive services is by listening to the people who use them, their families and carers. We do this in many ways and you will find out more throughout this report.

### **A bit of background**

We were initially established in 2003 as Sheffield Care Trust and on 1 July 2008, we were authorised to operate as Sheffield Health and Social Care NHS Foundation Trust. As a membership-based organisation our Board of Directors is accountable to the communities that we serve mainly through our Council of Governors, and directly to our members at our Annual Members' Meeting.

Our Council of Governors consists of people who use our services, their carers, representatives of members of the public and our staff. They work alongside appointed Governors from other Sheffield-based organisations with whom we work in close partnership, for example, NHS Sheffield Clinical Commissioning Group, MENCAP Sheffield and Sheffield African and Caribbean Mental Health Association. The diversity

of our Council's membership helps our Board of Directors to always ensure that our services are shaped by the people who live in the communities we serve.

As a Foundation Trust we have certain freedoms to develop and improve services and offer more choice to service users.

### **Our vision and values**

Our vision is to improve the mental, physical and social wellbeing of the people in our communities.

We will do this by:

- working with and advocating for the local population
- refocusing our services towards prevention and early intervention
- continuous improvement of our services
- locating services as close to people's home as we can
- developing a confident and skilled workforce
- ensuring excellent and sustainable services.

Our core values form the guiding principles and behaviours for the way we do our work:

- respect
- compassion
- partnership
- accountability
- fairness
- ambition.

Service user and carer engagement will continue to underpin everything we do. As we implement our strategy we are clear that service users' experiences and views, and those of their carers, are at the heart of our plans for service change and staff development.

### **Listening and responding**

Service users are a vital part of the work of our Quality Assurance Committee. They are members of many of the sub groups which report to the committee, which in turn escalates issues to the Board to ensure action is taken.

To deliver our vision we have four strategic aims that provide the framework under which we deliver and develop our services. Our strategic aims are:

*Quality and safety aim:* we will provide high quality care and support as early as possible in order to improve physical, mental and social wellbeing.

*People aim:* we will promote a culture of collaboration, supporting people to work together to make a difference.

*Future services aim:* we will develop excellent mental, physical and social wellbeing for the communities we serve through innovation, collaboration and sharing.

*Value for money aim:* we will provide sustainable services through ensuring value for money and reducing waste and unproductive time for our staff.

### **Our purpose and the services we provide**

Our purpose is to improve people's health, wellbeing and social inclusion so they can live fulfilled lives in their community. We will achieve this by providing services aligned with primary care that meet people's health and social care needs, support recovery and improve health and wellbeing.

#### **Did you know?**

This year our Non-Opiates Team, part of Sheffield Treatment and Recovery Team (START) launched a tailored weekly clinic for users of synthetic cannabinoids, also known locally as 'spice', providing protected time to engage with and support individuals with their recovery.

With an annual income of approximately £127.9m and around 2,400 members of staff, we provide mental health, learning disability, substance misuse, community rehabilitation, and a range of primary care and specialist services to the people of Sheffield. We also provide some of our specialist services to people living outside of Sheffield.

Our integrated approach to service delivery enables us to meet people's mental, physical, psychological and social care needs.

The wide range of our services includes:

- primary care services for people of all ages which we deliver through our GP practices
- rehabilitation services for people with brain injuries or those living with the consequences of a long-term neurological condition
- services for adults with drug and alcohol misuse problems
- psychological therapies for people with mild and moderate mental health problems
- community-based mental health services for people with serious and enduring mental illness
- services that support people with a learning disability, their families and carers
- services that support people with dementia, their families and carers
- inpatient mental health services for adults and older people
- specialist services including: eating disorders, adult autism, assertive outreach services for homeless people and members of the traveller community, perinatal mental health services and gender dysphoria services
- supported employment and health promotion
- teaching and research.

We accept referrals from the neighbouring South Yorkshire area and further afield for our specialist services. Sheffield residents make up about 94% of all service users we provide care and treatment for, and overall, we provide services to just over 55,000 people a year. Our main commissioning partners are NHS Sheffield Clinical Commissioning Group and Sheffield City Council who commission around 68% of our business.

### **Jayne's story\***

Jayne is in her 30s and living in temporary accommodation. Jayne has a deep-rooted fear of health services and professionals due to negative childhood and adult experiences. She is a vulnerable adult with a history of drug and alcohol issues.

Jayne agreed to be seen by a worker from our **Health Inclusion Team** as she was short of breath. Following contact with the team her chest infection was treated and improved. Her engagement with other services was worsening and her drinking had increased, but she was building a good relationship with one of our workers. Jayne would not go to see a GP even with a friend or escort and she urgently needed blood tests due to deterioration in her physical health. The team had a discussion with Jayne's GP practice and it was agreed that her blood samples could be taken at home by one of our team.

Jayne's blood test showed that she was seriously ill and she was admitted to general hospital. There were very real concerns that Jayne would self-discharge due to her past experiences. To help support Jayne the team arranged with Jayne's tenancy support worker to make sure Jayne had a visit from one of them every day. The team also made sure that Jayne had everything she needed in hospital to support her throughout the admission, including clothing, toiletries, reading material and snacks.

Thanks to this support Jayne remained in hospital and was treated for a life-threatening condition. She then underwent detoxification and rehabilitation. Jayne was seen by the team on her return from rehabilitation to temporary accommodation. The team have supported her to obtain priority rehousing. Jayne now attends regular support groups, engages well with the health service and is moving forward positively with her life.

\* not her real name

### **How we provide our services**

Our community-based services aim to provide care and treatment to individuals and their families close to their homes, and help them to maintain their independence and continue with their day-to-day lives as much as possible. We also provide a range of inpatient and residential services for individuals who cannot be appropriately helped within their community.

We deliver our services from around 40 sites across the city, which is mainly our own estate but many of our staff members also work from other organisations' premises. Our care and support is integrated around the needs of individuals and communities. We work closely with the Child and Adolescent Mental Health Services (CAMHS) within Sheffield Children's NHS Foundation Trust to ensure care is carefully co-ordinated as young people move into adulthood and need the ongoing support of services. We deliver integrated health and social care services for adults of a working age, with formal arrangements in place with Sheffield City Council to deliver their statutory responsibilities for assessment and care management.



### **Listening and responding**

We improved and adapted the content of our Short Term Educational Programme, or STEP, as a direct result of working closely with service users. The service offers a range of recovery and preventative focused educational programmes primarily to service users that have identified short term needs.

Our delivery of integrated health and social care is supported by integrated care pathways, teams, policies and information systems. We ensure care is integrated around people's mental and physical health needs. Our IAPT services are delivering innovative, evidence based care for people with long term physical health care conditions. Support is provided individually and on a group basis from a range of community centres across the city and delivered alongside health staff from other organisations. Our Liaison Service delivers care and treatment for people with mental health needs who are general inpatients within Sheffield Teaching Hospitals NHS Foundation Trust. Alongside this, our staff work remotely and across all of Sheffield in people's homes, alongside the third sector, within community centres, in courts or police stations.

We often see individuals for short periods of time, providing advice and treatment which helps resolve the person's problems. For those with more serious, longer-term difficulties, we will support and work with them for a number of years.

### **Listening and responding**

Care Opinion is the UK's independent non-profit feedback platform for health and social care. It enables us to have a two-way conversation with our service users, their families and carers. This meaningful dialogue leads to many changes which are reported on the website [www.careopinion.org.uk](http://www.careopinion.org.uk)

### **How we've performed**

Our services are rated as 'requires improvement' overall by the Care Quality Commission (CQC). Six out of 10 of our core services are rated as 'good' and our community mental health services for older people were rated as 'outstanding'. Many of the areas identified by the CQC have already been addressed, or plans are in place to deliver the required improvements.

We know we have more work to do, as you would expect of an organisation committed to continuous improvement, and we are committed to working closely with staff, service users, carers and partners to bring about further improvements.

### **Listening and responding**

Frontline staff, service users and their families work together to drive improvement in services. One example is improvements to the waiting area at the Sheffield Community Brain Injury Recovery Team to make it more welcoming and a new feedback zone for people who use the service.

NHS Improvement periodically reviews our performance against the Single Oversight Framework and there are no undue concerns regarding the Trust's performance.



We continue to exhibit a strong financial position. In 2018/19, we ended the year with a surplus of £11.697million against a control target of £5.378million. The performance was fueled by national incentive payments (Provider Sustainability Funding) from NHS Improvement. Our control total for the year included £3.681 million of this non-recurrent income but our final accounts benefitted from £7.655 million as the fund matched our own, internally-generated over-achievement. Some of this improved position came from one-off items but there was also a core element of sound financial management balanced with the need to deliver a comprehensive, high level service. We also fully delivered our Cost Improvement Programme which is a considerable achievement.

As an NHS Foundation Trust, we can carry forward any financial surplus monies that we have generated. These surpluses have flowed into our cash position and that gives us a solid base for the future. They will be used to maintain and, where appropriate, enhance the quality of the services that we provide including funding the capital investments planned for 2019/20 and beyond. They will also help us to mitigate against the adverse impact of the continued current economic and financial climate. We have no private finance initiative (PFI) or debt to service other than public dividend capital interest payments to the Treasury.

Under the regulatory framework that evaluates our financial performance we achieved a Use of Resources rating of 1, the highest rating possible, for the year, which provides us with assurance that our organisation is in good financial health. Although significant challenges remain financially for the Trust, and across the health and social care sector in Sheffield, we continue to remain in a better position than many other NHS organisations.

### **Challenges we face**

There is extensive change planned across health and social care services and this will impact on the way we deliver care and treatment to the communities we serve. The key focus remains on developing city-wide strategies and plans that will deliver integrated pathways across secondary and primary care, health and social care and mental and physical health. The direction of travel is the right one for the city and for services and is focussed on delivering sustainable services that bring about improved experiences and outcomes for the people of Sheffield and beyond. While the direction of travel is the right one, the change agenda remains challenging and we will need to balance the will and desire to deliver improvements quickly with the capacity to deliver and manage complex changes across the whole system.

The financial challenges remain significant - for us as a Foundation Trust, our main commissioners, the rest of the health and social care community in Sheffield and the broader South Yorkshire and Bassetlaw area. We continually review the risks that may impact on our ability to deliver our objectives. While we have identified challenges that need to be addressed, and these are being addressed, our assessment does not conclude that we are faced with significant risks that will impact on our capacity to deliver sustainable services over the coming years.

We have delivered our Cost Improvement Plans in 2018/19 and, as we head into 2019/20, we have already identified, at least in principle, a large proportion of our target for the year. We are always mindful of the need to maintain the quality of the services we provide. All this is against a background of activity levels that add even more pressure to the systems.

Through joint work across Sheffield and the wider South Yorkshire and Bassetlaw region we have clear plans that will shape the changes we need to make to ensure services remain sustainable in respect of quality of care, effectiveness and affordability. We are part

of the South Yorkshire and Bassetlaw Integrated Care System (ICS) and you can find out more about this in Section 3.1.21 and by visiting [www.healthandcaretogethersyb.co.uk](http://www.healthandcaretogethersyb.co.uk)

### **Ben's story\***

Ben is in his 20s and lives in Sheffield. During his teenage years he began to use cannabis, dropped out of education and neglected his self-care. Over the next few years Ben's mental and physical health deteriorated. He lost a significant amount of weight and his blood pressure and heart rate were causing very real concern. Ben was urgently referred to the **community mental health team** for support with his mental health which in turn arranged for intensive support from the **Eating Disorders Service**.

Ben had medical admissions to the general hospital due to his weight loss and dehydration. He was later admitted to one of our adult acute inpatient wards and transferred from there to the **intensive rehabilitation service at Forest Close**. Following a successful admission which improved Ben's physical and mental wellbeing as well as supporting him to pursue his interests, he was successfully discharged to the care of the **Community Enhanced Recovery Team (CERT)**. Eighteen months on Ben continues to receive support from CERT, is living in his local community and has recovered well.

\*not his real name

We need to invest in our inpatient facilities, because while they all remain registered and adhere to the expected standards, we want to provide the best care we can in the best environments for our service users. To help us do this, we are continuing to invest in our inpatient facilities while also improving our facilities throughout the Trust over the next five years.

While the targets of our Cost Improvement Plans have been met for 2018/19, some of this delivery (£84,000, equivalent to less than 2%) was through non-recurrent measures. This is predominantly considered to be down to the timing of agreed plans being implemented and plans remain in place that will address this during 2019/20.

### **Listening and responding**

Our Gender Identity Clinic has taken steps to support people while they are waiting for clinic appointments, for example by using technology such as Skype. This was in direct response to feedback.

### **Capacity to handle risk**

The Trust has structures and systems in place to support the delivery of integrated risk management across the organisation. The standing committees of the Board of Directors ensure effective governance for the major operational and strategic processes and systems of the Trust, and provide assurance that risk is effectively managed.

Operations for the Trust are managed through an organisational structure, with operations divided into clinical and corporate directorates, with governance committees in place for quality and performance and operational management.

The Annual Governance Statement (see 3.7) provides assurance that the Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives.

### **Going concern**

After making enquiries, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

## **2.1 Performance Analysis**

### **Performance relating to the quality of NHS services provided**

Our Quality Report in Section 4 provides comprehensive information on our performance in terms of the provision of quality services, including performance against mandated core indicators, quality indicators and our quality goals. The Quality Report also demonstrates how we improve, monitor and assure ourselves about the quality of the services and care we provide.

Detailed information about our performance in these areas can be found throughout this Annual Report. Key highlights that summarise our performance include:

#### *Core standards about quality of care*

- we achieved the core quality governance standards expected of us as an NHS Foundation Trust (see Section 3.1.18)
- the assessment of our services by the Care Quality Commission (CQC) highlights that overall, we are rated as 'requires improvement'. We have agreed a clear plan to address the issues highlighted by the CQC and are confident that good progress has been made since the last inspection in addressing the issues raised by the CQC (see Quality Report, Section 4).

### **Listening and responding**

Our Care Quality Commission overall rating is 'requires improvement'. We are working hard to make our services better for service users, carers and staff by working closely with them all and acting on what they tell us.

#### *Development plans and service strategies*

- our service plans and strategies were implemented successfully resulting in key changes that have transformed the experience of care for the people of Sheffield. These are summarised in Section 3.1.20 of this Annual Report
- our investment plans continue to support a planned improvement in:
  - the quality of our ward environments as part of our modernisation programme
  - the adoption of digital technologies to support high quality care and treatment and improved staff working experiences
  - a range of quality improvement and workforce engagement programmes.

#### *Workforce*

- staff engagement has been identified as an area of concern. We have agreed a number of plans and strategies to deliver improvements and improved experiences during 2019/20 (see Section 3.3.4).

#### *Financial stability and sustainability*

- we delivered a surplus of £11.697 million which was £6.319 million ahead of plan. See page 11 for further details
- we continue to deliver the majority of our Cost Improvement Plans and we have confidence the majority of the non-recurrent backlog has been identified recurrently for the year ahead
- the work of the Audit Committee and the detailed assessment of the organisation remaining as a going concern supports the overall assessment that we remain sustainable and resilient for the year ahead
- overall, we remain confident we have the plans in place to remain resilient and sustainable despite these challenging financial times across the NHS.

### **Did you know?**

Our Sheffield Treatment and Recovery Team (START) are taking part in an Individual Placement and Support trial that supports people struggling with alcohol and drug addiction to get into employment. It's the first trial of its kind in the UK and we are proud to be one of the seven trial sites.

### *Social, community and human rights*

- we are committed to working with and within the local communities where we provide services
- as an NHS Foundation Trust, we are directly accountable to the local communities across Sheffield through our membership as represented by the Council of Governors. We hold regular members' meetings where people can raise topics with us (see Sections 3.1.26 and 3.1.27)
- we work closely with our partners in NHS Sheffield Clinical Commissioning Group and the local authority as well as other NHS organisations in the city. We also work closely with South Yorkshire Police through our police placements programme, Street Triage Team and our Liaison and Diversion Service (see Sections 3.1.21, 3.1.22 and 3.1.24)
- we are committed to working for equality and fairness in employment and in service delivery, and not to discriminate on the grounds of age, disability, race, nationality, ethnic or national origin, sex, gender, marital or family status, domestic circumstances, religious belief or similar philosophical belief, sexual orientation, social and employment status, HIV status, physical appearance, gender reassignment or non/trade union membership
- we deliver our commitment to human rights through our Equality Objectives and our Workforce Race Equality Standard. Progress is recorded in our Equality and Human Rights Annual Report, available separately, and through regular reports to the Board of Directors (see our Equality Report in Section 3.8).

### **Listening and responding**

Service users visit our inpatient wards and chat to people about the quality of their experience on the wards. The questionnaires give us valuable insight on what it feels like to be a patient on the wards so that we can make improvements.

### **Environmental Impact and Sustainability Report**

We pride ourselves on maintaining a clean environment for service users, visitors and staff.

Patient-Led Assessments of the Care Environment (PLACE) is the measure we use to monitor our cleanliness, food, privacy, dignity, wellbeing and condition, appearance and maintenance. The action plan arising from the latest PLACE assessments is available on our website: <https://shsc.nhs.uk/about-us/corporate-information/patient-led-assessments-of-the-care-environment-place/>.

We have developed a Sustainable Development Management Plan which outlines our longer-term strategic approach to sustainability and ensures the involvement of the entire organisation.

Despite a busy year, developing and delivering our estates strategy and making sure we maintained operational continuity during the disruption to the provision of our healthcare waste collection services, our objectives remain clear as we continue to evolve to meet changing demands. Our objectives, as guided by the NHS Sustainable Development Unit (SDU) and aligned to our own values are:

- we support sustainable use of resources in line with our sustainable procurement strategy, in addition to development energy and water management strategies
- we protect our local environment, encourage biodiversity and promote green spaces
- we support climate action by making sure we develop and maintain continuity, resilience and adaption plans for our services, eg heatwave planning, flood plans etc
- we measure and strive to reduce our carbon footprint from our operational activities and throughout our supply chain
- we promote healthy lifestyles and prioritise staff wellbeing
- we deliver positive and effective change management
- we comply with the Public Services (Social Value) Act and review how we can secure wider social, economic and environmental benefits within the services we commission
- we make sure our services are accessible for all
- we make sure modern slavery or human trafficking is not taking place in our supply chain
- we challenge every pound we spend, making sure we get the best possible value for money
- we work to make our buildings as flexible and sustainable as possible, investing in IT systems to boost responsiveness, increase cost efficiencies and support better working for the future
- we engage and collaborate with our staff to support our sustainable development and have sustainability champions
- we partner with our local communities, including local authorities and transport infrastructure
- we engage with our suppliers to make sure our supply chain is sustainable
- we have leadership on sustainable development at Board level
- we measure and monitor our performance using the Sustainable Development Assessment Tool (SDAT) and provide evidence
- we seek feedback from our key stakeholders, eg staff surveys
- we monitor our sustainable development key performance indicators and regularly report into our Board of Directors
- our values and mission statement reflect our commitment to environmental, social and financial sustainability
- we promote and continuously improve our sustainability objectives
- we share and celebrate success

- we encourage and nurture innovation to provide a productive workforce, maximise efficiency, develop sustainable resilient buildings and install IT systems that support future challenges.

### **LED Lighting Upgrades**

Lighting upgrades continue across our estate with Light Emitting Diodes (LED). LED lighting has now been installed at the new Decisions Unit and Crisis Hub, formerly Rowan Ward, Presidents Park and Northlands. The car parks at Forest Lodge, Grenoside Grange and the Michael Carlisle Centre have been converted to LED fittings to illuminate the car park and not upwards so complying with the dark skies initiative, during 2018/ 2019. As outlined by the SDU and NHS Improvement the benefits of LED lighting are:

- 5-20% reduction in electricity use
- Potential carbon savings of up to 45%
- Reduced ongoing maintenance costs
- Improved service user and staff experience from better quality lighting

We will aim to roll out lighting upgrades across our estate where economically feasible during the next financial year. From the facilities small schemes budget, funds will be earmarked to install LED Lighting at the Trust's remaining sites, this includes Wardsend Road, where a proposed upgrade to the building to accommodate the IT department is under discussion.

### **First anniversary of Warp-It**

We celebrated one year of being subscribed to the Warp-It service; this is a redistribution network which we use to divert surplus items from the bin to reuse either within our services or to share with local public services or charitable communities. Warp-It is both a cost avoidance and sustainability approach supporting our values and NHS SDU values.

### **Warp-It savings (01 August 2017-31 March 2019)**

|   |                   |
|---|-------------------|
| Saved on purchase of internal trades    | £50,669           |
| Saved on purchases from external trades | £0                |
| Saved on waste by external trades       | £125              |
| Saved on waste by internal trades       | £584              |
| <b>Total savings</b>                    | <b>£51,378.00</b> |

Through the Warp-It service we were able to donate a computer to Roundabout, Sheffield's youth homeless charity. The charity provides shelter, support and life skills to young people between and ages of 16-24 who are homeless or at risk of being homeless. The computer was collected by a Tenancy Support Worker with the charity and taken straight to a young person who needed a computer to help them apply for jobs.

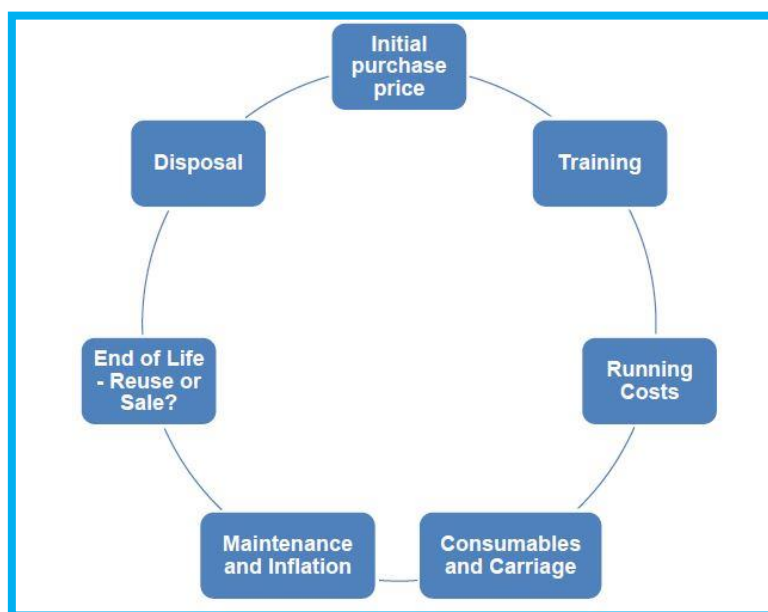
We held our first Stationery Amnesty. We invited staff based at headquarters to empty and de-clutter their drawers and cupboards so that all unused and surplus stationery could be redistributed for reuse within our other services. This not only provided an opportunity to save money by reducing unnecessary spend and procurement time but also helped us to reduce our use of resources and our environmental impact.

## Refreshing our Sustainable Procurement Policy

We refreshed our Sustainable Procurement Policy, establishing our commitment to sustainability in procurement and setting out our general aims and principles for procuring both ethically and responsibly.

Our sustainable procurement considers the environmental, social and economic consequences of: design, non-renewable material use, manufacture and production methods, logistics, service delivery, use, operation, maintenance, reuse, recycling options, disposal, and suppliers' capabilities to address these consequences throughout the supply chain. We will use whole life costs as our methodology for all items and services we procure.

Whole life costing procurement methodology:



## Electric vehicle trial

As outlined in published draft quality standard guidance in September 2018 from NICE on Air Pollution: outdoor air quality and health (<https://www.nice.org.uk/guidance/QS181>), 'organisations should make low vehicle emissions one of the key criteria when making routine procurement decisions. This could include selecting low-emission vehicles, including electric vehicles.'

In response to this during 2018/19, our transport services and estates trialled two fully electric vehicles over a two-week period to carry out normal duties including a one-week internal post round. The trial proved to be a success as both vehicles demonstrated the capacity required to complete duties to a satisfactory level.

This trial has given us sufficient evidence to prove that the market for small fully electric vans has moved on significantly. This is now a viable option for us when procuring for our fleet. In response to this we continue to review the scope and scale of electric vehicle charging points required across our estate to support electric fleet vehicles.

## Redevelopment of the Longley Centre

The design and redevelopment of the Longley Centre site continued this year and towards the end of 2018 we began construction to create a hub for our crisis services. As in the

earlier phase of this redevelopment (construction of the award winning Endcliffe Ward), this incorporated energy saving infrastructure including under floor heating and air heat recovery units. These will increase the energy efficiency of the site and lower the environmental impact of our clinical services. We also plan to install a number of electric vehicle charging points for use both by staff and our fleet vehicles.

### **Switch to recycled paper**

This year we switched to procuring 100% recycled paper as part of the NHS Nationally Contracted Products (NCP) initiative. This not only means that we make significant cost savings but also reduces our carbon impact. Procuring recycled paper ensures our supply chain saves energy, water and protects precious trees which are vital for carbon capture.

In 2017-2018 we ordered 2028 boxes of paper (WHO120 – white 80gsm) at a cost of £21,024 which works out approx. £10.37 per box

In June 2018 we moved from (WHO120) to the 70gsm version (WHO119) which reduced our average box price to approx. £9.44.

Then from August 2018 the new recycled paper came in, and using the figures so far this reduces our average box price to £8.92

Using the full year 2017 / 2018 the savings are as follows:

| Description             | QTY (2017 – 2018 Yr.) | Cost per box | Total per annum |
|-------------------------|-----------------------|--------------|-----------------|
| WHO120 (80sgm)          | 2028                  | £10.37       | £21,030.36      |
| WHO119 (70gsm)          | 2028                  | £9.44        | £19,144.32      |
| WHO264 (80gsm recycled) | 2028                  | £8.92        | £18,089.76      |

Estimated saving from original paper (WHO120) = £2,940.60

Estimated saving from 70gsm paper (WHO119) = £1,054.56

### **Cost avoidance**

The information from NHS Supply Chain stated that the cost of virgin pulp paper was due to increase by 21% so this was the driving factor to change to the recycled paper. Taking this into account the cost avoidance is approximately:

| Description    | Average price per box | New cost price | Increase per box | Total increase per annum based on 2028 units |
|----------------|-----------------------|----------------|------------------|--|
| WHO120 (80sgm) | £10.37                | £12.55         | £2.18            | £4,421.04                                    |
| WHO119 (70gsm) | £9.44                 | £11.42         | £1.98            | £4,015.44                                    |

The total estimated total saving per annum from the 70sgm paper is £4,279.08

£4,015.44 cost avoidance  
£263.64 savings



## Did you know?

Our Facilities team has been recognised for excellent sustainability reporting by the Sustainable Development Unit, NHS Improvement and the Healthcare Financial Management Association. This makes us one of only 97 organisations (out of 432) in the country recognised for sustainability reporting.

## Our plans for the future

We will:

- continue to roll out lighting upgrades to LED across our estate
- focus on the procurement of our energy supply. We will work towards the appointment of a Commercial Energy Consultant to provide us with specialist knowledge on bill validation, usage monitoring and reducing energy consumption and spend across all our services by April 2020
- evaluate our progress against the NHS Sustainability Strategy (2014-2020) using the new Sustainable Development Assessment Tool (SDAT) developed by the SDU. Using data from the assessment tool we will then be able to revise and refresh our Sustainable Development Management Plan, aligning to the UN Sustainable Development Goals
- in support of our estates strategy, we will continue to scope and develop an active travel plan to increase opportunities for our staff, service users and visitors to access our services via low carbon transport. As well as reviewing our estates infrastructure and accessibility to smarter travel choices, we will promote the benefits of active travel to our staff, focusing on increased physical activity and improved mental wellbeing
- progress our estates strategy, including the relocation of our headquarters, which will offer opportunities to reduce our energy consumption as we dispose of our older estate and relocate services to better and more energy efficient buildings.

## Performance

Since the 2007 baseline year, the NHS has undergone a significant restructuring process and one which is still on-going. 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 information              | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|----------------------------------|---------|---------|---------|---------|
| Floor Space m <sup>2</sup> (GIA) | 49,204  | 49,204  | 52,029  | 53,881  |
| Number of Staff                  | 2,730   | 2,642   | 2,405   | 2,120   |

\*The area of the Trust is affected by tenant occupancy. The figure returned for 2018-19 includes non-NHS tenants but excludes space occupied by other NHS organisations.

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:

- we take part in NHS Sustainability Day – this is a national day of recognition, information sharing and the promotion of sustainable practices
- our dedicated Sustainability Champions across the Trust

continue to promote sustainable practices within their work area

- we have established a Sustainability Business Management Group and a Sustainability Champions Group to lead and drive the sustainability agenda
- we are committed to seeking opportunities to enhance staff training to promote sustainable behaviour. Examples include refreshed waste signage and guidance documents. We are continuing to work towards an e-learning package to be assessed and implemented
- a dedicated sustainability page has been developed on the staff intranet, containing helpful and informative documents, links and information.

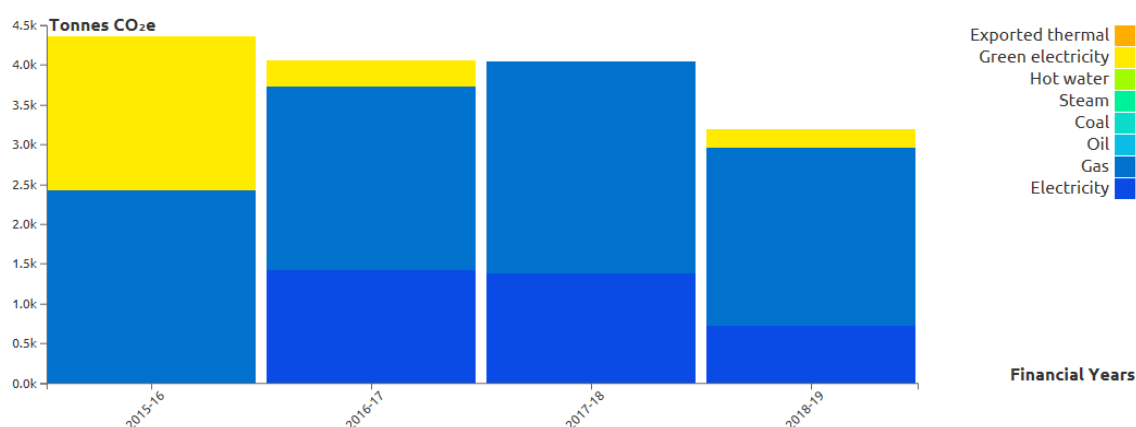
## Energy

In 2018-2019 we spent £742,845 which is a 4.81% increase on the energy spend from the previous year. This is largely due to rising costs in both the commodity and non-commodity costs of gas and electricity.

Energy consumption in kWh

|                      | 2015-16    | 2016-17    | 2017-18    | 2018-19    |
|----------------------|------------|------------|------------|------------|
| Electricity Consumed | 0          | 2,752,448  | 3,092,177  | 2,031,316  |
| Gas Consumed         | 11,568,423 | 11,045,984 | 12,611,519 | 10,569,380 |
| Oil Consumed         | 0          | 0          | 0          | 0          |
| Coal Consumed        | 0          | 0          | 0          | 0          |
| Steam Consumed       | 0          | 0          | 0          | 0          |
| Hot Water Consumed   | 0          | 0          | 0          | 0          |
| Green electricity    | 3,372,493  | 636,275    | 0          | 657,875    |
| Total                | 14,940,916 | 14,434,707 | 15,703,696 | 13,258,571 |

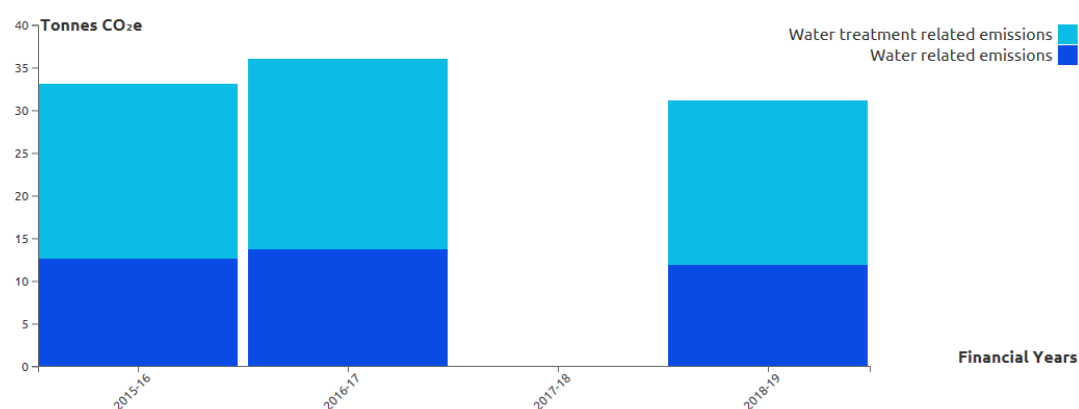
Carbon emissions resulting



|                   | 2015-16      | 2016-17      | 2017-18      | 2018-19      |
|-------------------|--------------|--------------|--------------|--------------|
| Electricity       | 0            | 1,422        | 1,378        | 717          |
| Gas               | 2,421        | 2,308        | 2,674        | 2,245        |
| Oil               | 0            | 0            | 0            | 0            |
| Coal              | 0            | 0            | 0            | 0            |
| Steam             | 0            | 0            | 0            | 0            |
| Hot water         | 0            | 0            | 0            | 0            |
| Green electricity | 1,939        | 329          | 0            | 232          |
| Exported thermal  | 0            | 0            | 0            | 0            |
| <b>Total</b>      | <b>4,360</b> | <b>4,060</b> | <b>4,052</b> | <b>3,194</b> |

## Finite resource use – Water

Carbon emissions resulting

CO<sub>2</sub> Emissions (tCO<sub>2</sub>e)

|                                   | 2015-16   | 2016-17   | 2017-18  | 2018-19     |
|-----------------------------------|-----------|-----------|----------|-------------|
| Water related emissions           | 12.5      | 13.6      | 0        | 11.8        |
| Water treatment related emissions | 20.5      | 22.4      | 0        | 19.4        |
| <b>Total</b>                      | <b>33</b> | <b>36</b> | <b>0</b> | <b>31.1</b> |

## Waste

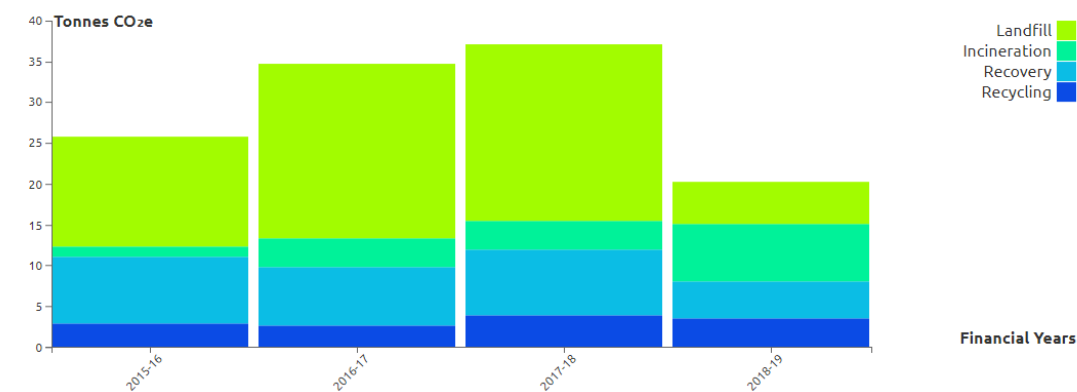
Due to the enforced changes in contracts in the 2018-2019 period and limited capacity in the supply chain, we have experienced changes in the disposal route for the waste we produce. This means that more of the waste is now going to incineration whereas in previous years it was going to landfill.

As part of the new contract, service providers have introduced greater management data including dynamic bin weights that allow a greater accuracy of bin weights. This has resulted in a total tonnage rates lower than previous years where average bin weights were used by the supplier.

|                              | 2015-16    | 2016-17    | 2017-18    | 2018-19    |
|------------------------------|------------|------------|------------|------------|
| Waste recycling weight       | 142        | 125        | 176        | 160        |
| Other recovery weight        | 409        | 343        | 369        | 217        |
| Incineration disposal weight | 6          | 16         | 16         | 32         |
| Landfill disposal weight     | 55         | 69         | 63         | 15         |
| <b>Total</b>                 | <b>612</b> | <b>553</b> | <b>624</b> | <b>424</b> |

Note: Waste in tonnes

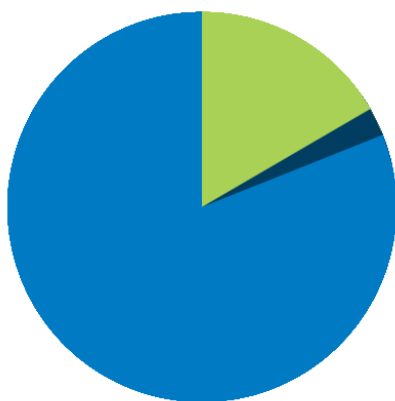
Carbon emissions resulting

CO<sub>2</sub> Emissions (tCO<sub>2</sub>e)

|              | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|--------------|---------|---------|---------|---------|
| Recycling    | 2.84    | 2.63    | 3.83    | 3.42    |
| Recovery     | 8.18    | 7.2     | 8.03    | 4.64    |
| Incineration | 1.31    | 3.52    | 3.52    | 7.04    |
| Landfill     | 13.4    | 21.4    | 21.7    | 5.17    |
| Total        | 25.8    | 34.7    | 37.1    | 20.3    |

## Modelled Carbon Footprint

The information provided in the previous sections of this Sustainability Report uses the Estates Return Information Collection (ERIC) 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 at: <http://www.sduhealth.org.uk/policy-strategy/reporting/nhs-carbon-footprint.aspx>



The values in the table below are percentages.

|                | 2018-19 |
|----------------|---------|
| Core emissions | 16.6    |
| Commissioning  | 2.34    |
| Procurement    | 81      |
| Community      | 0       |
| Total          | 100     |

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## SDU whole organisation carbon profile

Calculated from operating expenditure of £114,813,000 of which £25,000,000 is non-pay spend based on typical values for an Acute Trust organisation.

CO<sub>2</sub> Emissions (tCO<sub>2</sub>e)

|   | 2015-16      | 2016-17      | 2017-18      | 2018-19       |
|---|--------------|--------------|--------------|---------------|
| Patient and visitor travel                                    | 0            | 0            | 0            | 0             |
| Staff commute   | 0            | 0            | 0            | 0             |
| Business services   | 0            | 0            | 0            | 1,860         |
| Capital spending  | 1,770        | 658          | 1,359        | 2,205         |
| Construction  | 0            | 0            | 0            | 649           |
| Food and catering   | 0            | 0            | 0            | 1,361         |
| Freight transport   | 0            | 0            | 0            | 719           |
| Information and communication technologies                    | 0            | 0            | 0            | 286           |
| Manufactured fuels, chemicals and gases                       | 0            | 0            | 0            | 766           |
| Medical instruments / equipment                               | 0            | 0            | 0            | 3,975         |
| Other manufactured goods                                      | 0            | 0            | 0            | 657           |
| Paper products  | 0            | 0            | 0            | 540           |
| Pharmaceuticals   | 0            | 0            | 0            | 1,571         |
| Coal  | 0            | 0            | 0            | 0             |
| Electricity (net of any exports)                              | 0            | 1,422        | 1,378        | 717           |
| Gas   | 2,421        | 2,308        | 2,674        | 2,245         |
| Oil   | 0            | 0            | 0            | 0             |
| Thermal energy (net of any exports)                           | 0            | 0            | 0            | 0             |
| Leased Assets Energy Use (Upstream - Gas, Coal & Electricity) | 0            | 0            | 0            | 0             |
| Business travel and fleet                                     | 0            | 88.6         | 456          | 0             |
| Anaesthetic Gases   | 0            | 0            | 0            | 0             |
| Waste and Water   | 58.8         | 70.7         | 37.1         | 31.1          |
| Commissioning   | 0            | 0            | 0            | 422           |
| <b>Total</b>  | <b>4,250</b> | <b>4,548</b> | <b>5,905</b> | <b>18,005</b> |

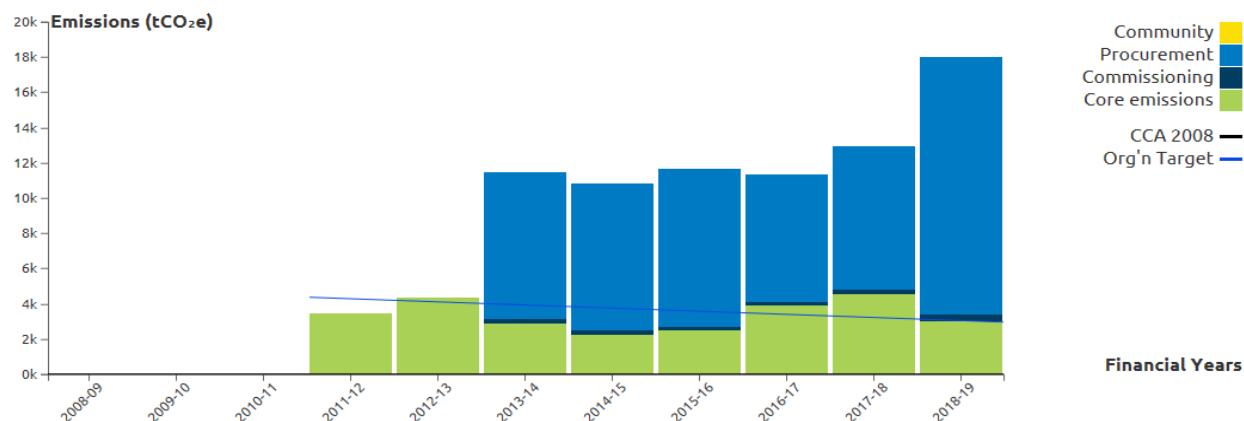
### Modelled trajectory

As outlined in our Sustainable Development Management Plan, we are committed to our contribution of the remaining systemwide 28% reduction in carbon emission required to meet the legally binding national 2020 Climate Change Act target. Building on what we have achieved so far some of the initiatives we are working towards which should have a positive impact on our carbon footprint are:

- refurbishment of our Longley Centre Site
- disposal of our Trust headquarters (Fulwood House) and the relocation of affected staff to an alternative location
- continued review and trial of 'green' fleet options, including electric and dual fuel vehicles
- development of staff active travel plan and promotion of e-conferencing
- embedding carbon literacy within our financial mechanisms and continued development of a Sustainable Procurement Strategy
- development of a strategy for how we monitor and target energy use across

the Trust

- development of a strategy for how we monitor and target waste production across the Trust applying the principles of the waste hierarchy.



|                |  | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|----------------|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Core emissions |  | 0       | 0       | 0       | 3,465   | 4,334   | 2,855   | 2,261   | 2,480   | 3,890   | 4,545   | 2,993   |
| Commissioning  |  | 0       | 0       | 0       | 0       | 0       | 270     | 257     | 244     | 223     | 233     | 422     |
| Procurement    |  | 0       | 0       | 0       | 0       | 0       | 8,349   | 8,344   | 8,930   | 7,212   | 8,188   | 14,591  |
| Community      |  | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| Total          |  | 0       | 0       | 0       | 3,465   | 4,334   | 11,474  | 10,863  | 11,653  | 11,326  | 12,966  | 18,005  |

## SDU whole organisation carbon profile

Calculated from operating expenditure of £114,813,000 of which £25,000,000 is non-pay spend based on typical values for all Trust organisation.

CO<sub>2</sub> Emissions (tCO<sub>2</sub>e)

|   | 2015-16       | 2016-17       | 2017-18       | 2018-19       |
|---|---------------|---------------|---------------|---------------|
| Patient and visitor travel                                    | 0             | 0             | 0             | 0             |
| Staff commute   | 0             | 0             | 0             | 0             |
| Business services   | 1,075         | 984           | 1,026         | 1,860         |
| Capital spending  | 1,770         | 658           | 1,359         | 2,205         |
| Construction  | 375           | 344           | 358           | 649           |
| Food and catering   | 787           | 720           | 751           | 1,361         |
| Freight transport   | 416           | 380           | 396           | 719           |
| Information and communication technologies                    | 165           | 151           | 158           | 286           |
| Manufactured fuels, chemicals and gases                       | 443           | 405           | 422           | 766           |
| Medical instruments / equipment                               | 2,298         | 2,103         | 2,191         | 3,975         |
| Other manufactured goods                                      | 380           | 348           | 362           | 657           |
| Paper products  | 312           | 286           | 298           | 540           |
| Pharmaceuticals   | 908           | 832           | 866           | 1,571         |
| Coal  | 0             | 0             | 0             | 0             |
| Electricity (net of any exports)                              | 0             | 1,422         | 1,378         | 717           |
| Gas   | 2,421         | 2,308         | 2,674         | 2,245         |
| Oil   | 0             | 0             | 0             | 0             |
| Thermal energy (net of any exports)                           | 0             | 0             | 0             | 0             |
| Leased Assets Energy Use (Upstream - Gas, Coal & Electricity) | 0             | 0             | 0             | 0             |
| Business travel and fleet                                     | 0             | 88.6          | 456           | 0             |
| Anaesthetic Gases   | 0             | 0             | 0             | 0             |
| Waste and Water   | 58.8          | 70.7          | 37.1          | 31.1          |
| Commissioning   | 244           | 223           | 233           | 422           |
| <b>Total</b>  | <b>11,653</b> | <b>11,326</b> | <b>12,966</b> | <b>18,005</b> |

All the data within the Sustainability Report is subject to verification for the ERIC (Estates Return Information Collection) submitted to the Department of Health later in 2019.

### Did you know?

Manreesh Bains (Clinical Psychologist, Older Adults Community Mental Health Teams) was recognised for her contribution to nursing at a special Black and Ethnic Minority event held by the Royal College of Nursing in late 2018.

Our Clinical Director of Operations and Transformation, Dr Peter Bowie, received the Royal College of Psychiatrists President's Medal. Peter was recognised for his role as Chief Examiner at the college, and joins just a handful of people who have received the award.

## **Congratulations to the following award winners and finalists ...**

### **HPMA Excellence in HRM Awards 2018**

*Winner* – Chamberlain Dunn Learning Award for Education – for our RESPECT training programme to reduce the use of restrictive interventions of all kinds across all services

### **Positive Practice in Mental Health Awards 2018**

*Winner* – Specialist services – Ward G1

*Winner* – Specialist mental health rehabilitation services – Forest Close Intensive Rehabilitation Service

*Winner* – Mental health safety improvement showing co-produced approach to improving safety – RESPECT training programme

*Highly commended* – Integration of physical and mental health care – Liaison Service

*Highly commended* – Specialist mental health rehabilitation services – Community Enhanced Recovery Team (CERT)

*Highly commended* – Mental health safety improvement showing co-produced approach to improving safety – Ward G1

### **Royal College of Psychiatrists Awards 2018**

*Winner* - Higher Psychiatric Trainee of the Year (ST4 – ST6 and SpR) – Dr Charlotte Blewett

*Finalist* – Foundation Doctor (FY1 – FY2) of the Year - Dr Xue Wang

### **National Dementia Care Awards 2018**

*Finalist* – Activities co-ordinator of the year – Claire Jepson, Occupational Therapist, Ward G1

### **Health Tech Awards 2018**

*Finalist* – Tech project of the year – Protected Wi-Fi for inpatients (IMST and inpatient services)

### **NHS Windrush Awards 2018**

*Finalist* – Clinical excellence for nursing – Caleb Adedigba, Deputy Team Manager, Birch Avenue Nursing Home

*Finalist* – Clinical excellence for allied health professionals – Saiqa Naz, Cognitive Behavioural Psychotherapist, IAPT Service

### **Infection Prevention Awards 2018**

*Finalist* – Infection Prevention Practitioner of the Year - Katie Grayson, Infection Prevention and Control Nurse

### **Unsung Heroes Awards 2019**

*Finalist* – Clinical ancillary category – Emma Carr, Recovery Worker, Community Enhanced Recovery Team (CERT)

### **Our Recognition and Achievement Award Winners 2018-19**

*Compassionate Care* – Older Adults Community Mental Health Teams

*Leadership* – Rachel Noble, Team Manager, Dementia Rapid Response and Home Treatment Team

*Outstanding Achievement by an Individual* – Leanne Brouder, Recovery Worker, Community Enhanced Recovery Team (CERT)

*Quality Improvement by a Team* – Brunsmeer Awareness mental health football project



*Innovation and Research* – Non-Opiates Service, Sheffield Treatment and Recovery Team (START)

*Learner of the Year* – Dr Charlotte Blewett, Specialist Registrar

*People's Choice* – Adam Searle and Helen Coventry, Mental Health Recovery Service (South)

*Volunteer of the Year* – Jonathan Hall, Alice Bennett and Julie Murashi, Short Term Education Programme (STEP)

*Chair's Special Recognition* – Philip Jonas, Clinical Audit Facilitator

### **Any important events since the end of the financial year affecting the Foundation Trust**

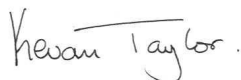
At the time of finalising this Annual Report there are no important events that have happened between March 2019 and the report being issued in May 2019.

### **Details of any overseas operations**

The Trust had no overseas operations during 2018/19 in respect of the provision of health care services.

We are the main UK partner of the Gulu Sheffield Mental Health Partnership alongside other NHS Trusts in Sheffield, Manchester and London as well as the University of Sheffield. We have been working with a service user and carer group, Mental Health Uganda Gulu Branch (MHUGB) and Gulu Regional Referral Hospital (GRRH) since 2012. All of the funding for the work of the partnership is external to the Trust.

This Performance Report has been approved by the Directors of Sheffield Health and Social Care NHS Foundation Trust.



Kevan Taylor  
Chief Executive  
24 May 2019

## **Section 3.0 Accountability Report**

### **3.1 Directors Report**

#### **3.1.1 The Board of Directors**

The Board of Directors provide a wide range of experience and expertise which is essential to the effective governance of the Trust. Its members continue to demonstrate the visionary leadership and scrutiny that enables the organisation to fulfil its ambition.

At the end of 2018/19, the Board of Directors comprised of six Non-Executive Directors, including the Chair, and five Executive Directors, including the Chief Executive.

#### **3.1.2 The Non-Executive Team**

- Jayne Brown OBE (Chair)
- Richard Mills (Vice-Chair)
- Sandie Keene CBE (Senior Independent Director)
- Councillor Olivia Blake
- Ann Stanley
- Professor Laura Serrant OBE

#### **3.1.3 The Executive Team**

- Kevan Taylor (Chief Executive)
- Clive Clarke (Deputy Chief Executive)
- Dr Mike Hunter (Executive Medical Director)
- Liz Lightbown (Executive Director of Nursing, Professions and Care Standards)
- Phillip Easthope (Executive Director of Finance)

Associate Directors are the Director of Human Resources and the Director of Corporate Governance/Board Secretary.

In addition, an Associate Non-Executive Director representing the University of Sheffield was appointed to the Board on 08 March 2019 for a four-year term in a non-voting position.

All Board members use their expertise, experience and interest to help set the strategic direction of the Trust, as well as to monitor its management and performance.

#### **3.1.4 Directors' statement as to disclosure to the Auditors**

For each individual who was a Director at the time that this Annual Report was approved, so far as the Directors are aware, there is no relevant audit information of which the Trust's Auditor is unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Trust's Auditor is aware of that information.

#### **3.1.5 Accounting policies statement**

Accounting policies for pensions and other retirement benefits are set out in the Annual Accounts in Section 6 of this report and details of senior employees' remuneration can be found in the Remuneration Report in Section 3.2 of this report.

#### **3.1.6 Our Auditors**

Our External Audit function is carried out by KPMG. A full competitive tender process was carried out during 2014/15 to ensure compliance with regulatory requirements. The outcome of the tender process, following a detailed review process was the

recommendation to the Council of Governors for the reappointment of KPMG as the Trust's External Auditors. This decision was approved on 13 March 2015, for an initial period of three years with an option to extend for a further two years. At its meeting on 14 December 2017, the Council of Governors agreed to a further two-year extension to the Auditor's contract. Further details can be found in the 2017/18 Annual Report.

### **3.1.7 The role of the Board of Directors**

The responsibility for exercising the powers of the Trust rests with the Board of Directors. These powers are set out in the National Health Service Act, 2006 and are subject to the restrictions set out in the Trust's terms of authorisation.

The Board is responsible for:

- directing and supervising the organisation's affairs
- providing proactive leadership of the Trust within a framework of prudent and effective controls which enable risk to be assessed and managed
- setting the Trust's strategic aims and ensuring that the necessary financial and human resources are in place for the organisation to meet its objectives
- overseeing the organisation's progress towards attaining its strategic goals
- monitoring the operational performance of the organisation
- promoting the success of the organisation to maximise the benefits for the members as a whole and for the public.

The Board may delegate any of the powers conferred upon it to any committee of Directors or to an Executive Director. The Standing Orders of the Board of Directors provide for the manner in which the Board may arrange the delegation of its powers. The 'Scheme of Reservation and Delegation of Powers' (which forms part of the Board of Directors' Standing Orders) sets out, in detail, those powers which the Board has reserved to itself and those it has delegated and to whom.

#### **Did you know?**

Our Memory Service has been named as one of two national examples of best practice as part of the new Dementia Care Pathway. They've been identified as an example of 'supporting well' for people with dementia and their carers.

The Chair of the Trust presides over the meetings of the Board of Directors and the Council of Governors. The Chair is responsible for:

- providing leadership to the Board of Directors and the Council of Governors
- ensuring that the Board of Directors and the Council of Governors work effectively together
- enabling all Board members to make a full contribution to the Board's affairs and ensuring that the Board acts as an effective team
- leading the Non-Executive Directors through the Board of Directors' Remuneration and Nominations Committee in setting the remuneration of the Chief Executive and (with the Chief Executive's advice) the other Executive Directors.

The Senior Independent Director is responsible for leading the Non-Executive Directors in the performance evaluation of the Trust Chair. The Trust Chair is responsible for carrying out the performance evaluation of the Non-Executive Directors. Both processes are overseen by the Council of Governors' Nominations and Remunerations Committee.

During 2018/19, the Board met every month with the exception of August 2018 and January 2019 in which meetings were open (in part) to members of the public and the press. An additional extraordinary Board took place in May 2018 which was confidential. Elements of the Board's business that are of a confidential nature and/or commercially sensitive are transacted in private, and the Board has been very open about the need to do this.

The Board of Directors takes account of the NHS Constitution in its decisions and actions, as they relate to service users, the public and staff of Sheffield Health and Social Care NHS Foundation Trust. The principles and values set out in the Constitution are reflected in the organisation's strategy, objectives, vision and values. The Board of Directors is compliant with the principles, rights and pledges set out in the Constitution as they apply to mental health service providers.

### 3.1.8 Attendance at Board of Directors meetings

A full list of all the Directors who have served on the Board during 2018/19, including their attendance at the Board's meetings, is set out below.

| Name                        | Position  | Term  | Attendance |
|-----------------------------|---|---|------------|
| Jayne Brown OBE             | Chair   | Four-year term ending 30/06/2020  | 11/11      |
| Ann Stanley                 | Non-Executive Director  | Three-year term ending 31/10/2017 with 13-month extension to 30/11/2018 and further extension to 31/05/2019 | 11/11      |
| Councillor Olivia Blake     | Non-Executive Director  | Three-year term ending 13/07/2020   | 11/11      |
| Professor Laura Serrant OBE | Non-Executive Director  | Four-year term ending 31/03/2022  | 6/11       |
| Richard Mills               | Non-Executive Director/Vice Chair                             | Three-year term ending 30/11/2018 extended to 31/05/2019  | 10/11      |
| Sandie Keene CBE            | Non-Executive Director/Senior Independent Director            | Four-year term ending 31/03/2022  | 10/11      |
| Kevan Taylor                | Chief Executive   | N/A   | 10/11      |
| Clive Clarke                | Deputy Chief Executive/Executive Director of Operations       | N/A   | 11/11      |
| Dr Mike Hunter              | Executive Medical Director                                    | N/A   | 9/11       |
| Liz Lightbown               | Executive Director of Nursing, Professions and Care Standards | N/A   | 8/11       |
| Phillip Easthope            | Executive Director of Finance                                 | N/A   | 11/11      |

### 3.1.9 The Management Team

The Board of Directors delegates the day-to-day management of the operational activities of the Trust to the Executive Directors' Group (EDG). The EDG comprises the Executive Directors, the Director of Human Resources and the Director of Corporate Governance/ Board Secretary. The EDG meets on a weekly basis to ensure that its delegated duties are appropriately discharged.

### **3.1.10 Board committees**

The Board has several committees to whom it delegates authority to carry out some of its detailed work. The committees provide a Significant Issues report to the Board of Directors following each meeting; this ensures immediate escalation of any issues or concerns arising at the committee meeting as well as recording significant assurances received.

The Quality Assurance Committee is responsible for providing assurance to the Board on the effectiveness of the Trust's systems and processes for safeguarding and improving the quality of the Trust's services.

The Finance, Information and Performance Committee is responsible for ensuring that the Trust's finances are managed within the allocated resources in order to deliver an effective and efficient service.

The Workforce and Organisation Development Committee is responsible for providing assurance to the Board on the effectiveness of the Trust's systems and processes for supporting employees in the provision and delivery of high quality, safe service user care and ensuring that the Trust is meeting its legal and regulatory duties in relation to its employees.

The Audit Committee and the Remuneration and Nominations Committee are described below.

#### **3.1.10.1 Audit Committee**

Membership of the Audit Committee is comprised of three independent Non-Executive Directors. The committee is chaired by Ms Ann Stanley who has recent and relevant financial experience, which fulfils the requirement for at least one Non-Executive member to have such experience.

The Audit Committee provides the Board of Directors with an independent and objective review of the system of internal control and overall assurance process associated with managing risk. It receives annual reports from each of the other Board Sub Committees; these reports in turn inform the annual report of the Audit Committee which is presented to the Board of Directors at the end of each financial year. This allows the Audit Committee to discharge its responsibility for providing assurance to the Trust Board in relation to all aspects of governance, risk management and internal control. These assurances and this oversight form the basis for the Chief Executive's Annual Governance Statement.

The committee is responsible for commissioning and reviewing work from independent external and internal audit services, counter fraud services and other bodies as required. The committee's work in undertaking these responsibilities is outlined in an annual report to the Board.

The committee's meetings are attended, in accordance with the agenda, by the Internal and External Auditors, local counter fraud specialist, the Trust's Executive Directors, the Director of Corporate Governance, Head of Clinical Governance and Deputy Director of

Finance. Other Directors and senior managers attend when invited by the committee. The Chief Executive and the Trust Chair attend the meeting at which the annual accounts are presented.

Both the internal and external auditors have the opportunity to meet informally with Audit Committee members (without Executives present) to discuss any concerns or issues relating to the performance of management.

Copies of the terms of reference of the Audit Committee can be obtained from the Foundation Trust office and are published on the Trust's website:

<https://shsc.nhs.uk/about-us/corporate-information/board-of-directors/board-of-directors-committees/>

The committee has met on five occasions during 2018/9 and discharged its responsibilities as set out in the terms of reference. Details of members' attendance at its meetings are as shown in the table below:

| Name              | Position                                    | Attendance |
|-------------------|---|------------|
| Ann Stanley       | Committee Chair and Non-Executive Director  | 5/5        |
| Cllr Olivia Blake | Committee Member and Non-Executive Director | 4/5        |
| Sandie Keene      | Committee Member and Non-Executive Director | 5/5        |

### **Significant issues considered by the committee**

The Audit Committee has an annual review cycle in place in relation to reviewing and considering the effectiveness and on-going compliance.

The Audit Committee met on the 23 April 2019 in part to consider the financial statements for the period 2018/19 and as part of the annual review cycle considered the following issues in relation to financial statements, operations and compliance:

- Accounting Policies review for inclusion in the Financial Statements and Annual Report, including the appropriate treatment for Charitable Funds;
- The Going Concern status of the Trust. The committee agreed that the 2018/19 Annual Accounts be prepared on a "going concern" basis;
- Material Estimates pertinent to the financial statements, including Assets' valuation endorsing the methodology and accounting treatment;
- Due consideration of the organisation's risks and controls, particularly the Board Assurance Framework and Corporate Risk Register;
- Due consideration of the annual Internal Audit report and opinion, and, elements of risk and audit emphasis identified in the External Audit plan, such as the Trust's income; and
- Statutory Financial Statements and Annual Report and Accounts (including the Quality Report) received and approved by the Committee prior to being submitted to the Board of Directors for final approval prior to submission to NHS Improvement.

In relation to the risks and areas of emphasis in the External Audit Plan, KPMG consider the key areas of accounting judgement and disclosure. For each of these areas, the Committee

critically reviews and assesses the judgements that have been applied, the consistency of application from year to year and the appropriateness of the relevant disclosures made, together with the compliance with applicable accounting standards. The key areas considered by KPMG are in relation to valuation, the verification of land and building assets and recognition of NHS and non-NHS income.

Detail of the verification of land and building assets is contained in the material estimates paper considered by the committee.

The main source of income for the Trust is the provision of healthcare services to the public under contracts with NHS commissioners. These contracts make up 69% of the Trust's income from activities. The Trust also receives 23% of its income from non-patient care services to other bodies. In order to satisfy itself as to the validity of the income, the Committee has confirmed that the Agreement of Balances exercise for NHS income and the confirmation of non-patient care income have been undertaken on a diligent and comprehensive basis. The Committee has also confirmed that effective income cut-off procedures were applied around the year end.

In relation to the Trust's income the Committee has been able to place reliance on work undertaken by the external auditors as part of the work that they have undertaken to enable them to develop their Audit Opinion.

In addition, the Audit Committee receives regular updates and feedback in relation to the progress against plan of Internal Audit and Counter Fraud.

Any issues arising were addressed by the Committee. Any internal control or governance matters are incorporated into the Annual Governance Statement.

### **External Audit**

The Trust's External Audit function is carried out by KPMG.

For the financial year ending 2018/19, the Trusts external audit function was carried out by KPMG. This arrangement is now entering the final year of the present contract which was extended in 2017 for a further two years. In accordance with statutory requirements, a competitive process will be undertaken in 2019/20 to appoint the Trust's external auditors for a new contractual term. This appointment will be undertaken by the Council of Governors as part of their statutory responsibility as governors of an NHS Foundation Trust.

The statutory audit fee for the 2018/19 audit was £49,250 plus VAT. A separate fee is charged in relation to the External Assurance on the quality report of £9,100 plus VAT.

The effectiveness of the external audit function is assessed annually by the members of the Audit Committee utilising the methodology provided for such an evaluation by The Audit Committee Institute. For 2018/19 this was carried out as part of the AC self-assessment questionnaire of members.

Provision of non-audit services by the external auditor; KPMG has carried out no other services for the Trust during the financial year 2018/19.

### **Internal Audit**

The Trust's internal Audit function is performed by 360 Assurance. The annual audit plan is derived following an overarching risk assessment and is translated into the annual internal audit operational plan and three-year strategic plan.

The internal audit plan was developed through discussion with members of the Audit Committee, the Executive Team and other Directors and a review of the Board Assurance Framework to identify a range of key risks, including those affecting the health sector generally. Reviews were identified across a range of areas including financial management, information management and technology, performance, clinical quality, people management and governance and risk.

A report is taken to every Audit Committee meeting detailing progress against the plan and drawing attention to any concerns.

The Audit Committee reviewed the performance and value for money of the internal audit function during 2018/19.

### **3.1.10.2 Remuneration and Nominations Committee**

The Remuneration and Nominations Committee of the Board of Directors comprises all the Non-Executive Directors. The committee is chaired by Jayne Brown OBE, the Trust Chair.

The committee is responsible for determining the remuneration and terms and conditions of service of the Executive Directors (including the Chief Executive) in order to ensure that they are properly rewarded having regard to the Trust's circumstances.

Full details of the Remuneration and Nominations Committee are provided in Section 3.2 of this report.

### **3.1.11 Executive and Non-Executive Directors' qualifications and experience**

#### **Jayne Brown OBE, Chair**

Jayne has more than 25 years' NHS experience, including 13 years as a Chief Executive. She is the director of two limited companies and a carer.

Jayne has a BA (Hons) in Politics and Modern History as well as a Masters Degree in Public Health, a Diploma in Strategic Health Service Management and a Coaching Diploma. She is a graduate of the Institute of Personnel and Development. Jayne was awarded an OBE in 2004 for services to the NHS.

#### **Tenure of office**

01 July 2016 to 30 June 2020.

#### **Councillor Olivia Blake, Non-Executive Director**

Olivia Blake is Deputy Leader of Sheffield City Council and is the Cabinet Member for Finance and Resources. She was first elected in 2014 to represent Walkley Ward where she lives.

As a councillor she has previously held the role of Cabinet Assistant for Health and Social Care with a focus on carers and public health and was a member of the scrutiny committees for both this area and Children, Young People and Families.



She graduated from the University of Sheffield with a degree in Biomedical Sciences and continued to do research following this. She still maintains a passion for science and in particular health sciences.

Following this she moved into working in political communications, working for a local Member of Parliament on campaigns and communications.

Olivia has also represented young trade union members at a regional, national and European level on committees and at conferences. She has a strong interest in workforce development and wellbeing and has campaigned on issues including low pay, young people's rights and mental health.

#### **Tenure of Office**

14 July 2017 to 13 July 2020.

#### **Sandie Keene CBE, Non-Executive Director, Senior Independent Director (Chair of the Quality Assurance Committee)**

Sandie began her career as a social worker and her early work was in South Yorkshire Local Authorities. She retired in 2014 after eight years as Director of Adult Social Services in Leeds. She was President of the Association of Directors of Adult Social Services (ADASS) in 2013/4 and was awarded a CBE in 2016.

After retiring Sandie worked with the Local Government Association (LGA) to support health and social care improvement. As an Associate with the LGA she has developed tools to support integrated Health and Social Care.

She is Independent Chair of a Safeguarding Adults Board and the Sheffield Diocesan Safeguarding Panel and Trustee of a National Housing Association.

#### **Tenure of office**

01 April 2018 to 31 March 2022.

#### **Richard Mills, Non-Executive Director, Vice Chair (Chair of the Finance and Investment Committee)**

Richard is a director with more than 35 years senior management experience in the NHS, charitable, independent and public sector organisations, including Board level positions in NHS organisations.

Richard was an NHS manager and director from 1979-2012, working in the London and Thames Valley Hospital, Health Authority and Primary Care Trust levels.

He was the Chief Executive of Intensive Care National Audit and Research Centre (ICNARC) 2014- 2015 and has been a management consultant since 2012. In December 2018 Richard became the Vice Chair of the Board.

#### **Tenure of office**

01 November 2014 to 30 November 2018. Extended to 31 May 2019.

#### **Professor Laura Serrant OBE, Non-Executive Director (Chair of the Workforce and Organisation Development Committee)**

PhD, MA, BA, RGN, PGCE

Laura is head of the nursing department and Professor of Community and Public Health Nursing, at the Faculty of Psychology, Health and Social Care at Manchester Metropolitan University. She is also an appointed ambassador for the Equality Challenge Unit for Higher Education.

Laura lives in Sheffield and has worked with national and international health organisations, including NHS England and the Department of Health. As Head of Evidence and Strategy at NHS England, she led the evaluation of the impact of the national Compassion in Practice Strategy for nurses, midwives and care staff, which followed the Francis Report into the Mid Staffordshire NHS Foundation Trust Public Inquiry.

Her research focuses on health disparities and diversity leadership in health. She received an OBE in the Queen's 2018 Birthday Honours List for services to nursing and health policy.

#### **Tenure of office**

01 April 2018 to 31 March 2022.

#### **Ann Stanley, Non-Executive Director (Chair of the Audit Committee)**

Ann is a qualified accountant by profession and has served as a senior finance executive in the public, voluntary and commercial sectors. Her experience includes working in Brussels for the European Communities and in London for the BBC.

Ann has also worked as a Senior Finance Executive in Higher Education and as a Group Accountant for HM Prison Service. Ann also worked for a number of years as a Non-Executive Director for a leading housing association based in Lincolnshire assisting in a full group restructure and merger and establishing and chairing the Group Audit and Risk Committee.

She is a fellow of the Chartered Institute of Certified Accountants (FCCA). She is also a member of the Trust's Finance and Investment Committee and a member of the Workforce and Organisation Development Committee.

#### **Tenure of office**

01 November 2014 to 30 November 2018. Extended to 31 May 2019.

#### **Kevan Taylor, Chief Executive**

Prior to his appointment as the Trust's Chief Executive in 2008, Kevan served as the Chief Executive of the predecessor Trust. He led the Trust through its achievement of both Care Trust and Foundation Trust status. He also served as Director of Commissioning of the Sheffield Health Authority.

Kevan has a background as a practitioner in social care and as a local authority manager. Kevan has a particular commitment to integrated care across Sheffield, previously leading the Right First Time Partnership and currently Chairing the Accountable Care Partnership (ACP) Executive Delivery Group. As a former social care practitioner, he is keen to ensure strong integration with social care and increasing partnership with primary care.

Kevan established the partnership link between mental health services in Sheffield and services in Gulu, Northern Uganda. This link is now very well established and many colleagues from Uganda have spent time in Sheffield funded by the Commonwealth

Fellowship programme. Sheffield and Gulu are keen to develop this partnership further and share the mutual lessons and benefits.

**Clive Clarke, Deputy Chief Executive/Executive Director of Operations**

Clive was appointed as an Executive Director of the Trust in 2008. A qualified nurse and social worker, Clive brings more than 29 years' experience in health and social care provision. He has served as Director of Adult Mental Health Services and as Head of Social Services in Sheffield Care Trust.

In November 2012 Clive took on the role of Deputy Chief Executive Designate with responsibility for Planning and Performance, Commercial Relations, Estates, IT (which includes information governance) and Clinical and Corporate Governance, a responsibility he shared at Board Level with Professor Tim Kendall.

Since March 2013 Clive has been the Deputy Chief Executive. In 2016 Clive became the Trust's Executive Director of Operations. Clive was a participant in the 2001 King's Fund Top Managers Leadership Programme.

**Phillip Easthope, Executive Director of Finance**

Phillip has been the Trust's Executive Director of Finance since January 2016, following a period as the Trust's Interim Executive Director of Finance from March 2015. Prior to his appointment, he was the Trust's Deputy Director of Finance since 2012 and has more than 16 years' experience in NHS finance.

Phillip is a Fellow of the Association of Chartered Certified Accountants and has completed the NHS Strategic Financial Leadership Programme.

**Dr Mike Hunter, Executive Medical Director**

Mike was appointed as the Trust's Executive Medical Director in October 2016. He has been a consultant psychiatrist for many years and was previously Clinical Director of Acute and Inpatient Services and Community Services at the Trust. His responsibilities include quality improvement, patient safety, clinical governance, medical leadership, medical education and service user engagement.

Mike trained in Sheffield, first in medicine and then in psychiatry. He is a consultant psychiatrist with a background in Rehabilitation and Assertive Community Treatment. He is particularly interested in the development of services that provide intensive support outside of the traditional hospital setting and in developing enhanced approaches for mental health within primary care.

**Liz Lightbown, Executive Director of Nursing, Professions and Care Standards**

Liz Lightbown joined the Trust in April 2010 on secondment and was appointed on a permanent basis in April 2011. She is a Registered Mental Health Nurse and holds a Bachelor of Science Degree in Behavioural Sciences, a Masters Degree in Health Planning and Financing, and a Diploma in Public Health. She was a participant on the King's Fund National Nursing Leadership Programme and is a Prince 2 qualified Project Manager.

Liz is the Trust's Executive Director of Infection Prevention and Control (DIPC) and the Executive Lead for Safeguarding Adults and Children and Mental Health Legislation (Mental Health Act and Mental Capacity Act).

Since April 2012 Liz has been the Executive Lead for the Trust's International Health Partnership with Gulu Regional Referral Hospital in Northern Uganda and was the Trust's Chief Operating Officer from November 2012 to 2016. In June 2016 Liz became the Trust's Executive Director for Care Standards.

### **3.1.12 Directors' interests**

Members of the Board of Directors must declare any interests which might create, or be seen to create, a conflict or potential conflict between their personal or private interests and those of the organisation or their duties as members of the Board of Directors. They are also required to declare any conflicts of interest that arise in the course of conducting Trust business, specifically at each meeting of the Board.

The Register of Interests is maintained by the Foundation Trust Board Secretary and is available for inspection by members of the public on request. Please submit any requests to Margaret Saunders, Director of Corporate Governance/Board Secretary, by ringing 0114 2716310 or emailing [margaret.saunders@shsc.nhs.uk](mailto:margaret.saunders@shsc.nhs.uk).

### **3.1.13 Board evaluation**

The Board of Directors assesses its own performance and effectiveness, ensuring that it complies fully with its statutory and regulatory functions and duties.

Development sessions for the Board of Directors during 2018/19 have included the preparation of action plans following a Care Quality Commission (CQC) Well-Led inspection and monitoring progress against them, developing the Trust's strategy and agreeing its priorities for the Trust's Annual Plan for 2019/20, reviewing the Trust's transformation agenda in relation to its Acute Care Reconfiguration, new Secure Care Models, the national Transforming Care agenda and a city-wide dementia strategy. It has also critiqued and refreshed the Board Assurance Framework and the Trust's risk appetite.

All Executive and Non-Executive Director appointments are made in compliance with Condition G4 of the Provider Licence 'Fit and Proper Persons' requirements and these are reviewed on an annual basis.

Appraisals for those Non-Executive Directors who had been in post through the year took place. The Council of Governors and Board members were individually invited to comment on the performance of each Non-Executive Director. This information was fed into the appraisal process led by the Trust Chair with support from the Lead Governor and a further governor member of the Nomination and Remuneration Committee. In addition, appraisal of the Trust Chair took place, led by the Interim Senior Independent Director and supported by the Lead Governor. All Governors and Board members were invited to provide feedback on the Chair's performance which fed into the appraisal process. The outcome was reported to the Council of Governors at its meeting on 06 December 2018.

The evaluation of the performance of the Executive Directors was carried out by the Chief Executive during his monthly one-to-one meetings and annual reviews with them.

As stated in Section 3.2 of this report, the evaluation of the Chief Executive's performance was carried out by the Trust Chair in their one-to-one meetings. The performance of the Chief Executive, Executive Directors and the Associate Director of Human Resources was also discussed by the Remuneration and Nominations Committee.

The Board is satisfied that the composition of its membership is balanced, complete and appropriate and this can be seen in the biographical details of Board members as set out above.

#### **3.1.14 Keeping informed of the views of Governors and members**

The Board of Directors ensures it is kept informed of the views of Governors and members in a number of ways, including:

- private meetings between the Chair and governors if required
- attendance at Council of Governors' meetings
- receiving reports on the outcome of consultations with Governors, for example on the business plan
- updates provided by the Chair and Directors at Board meetings.

Governors are encouraged to attend public meetings of the Board of Directors.

The Senior Independent Director is available to Governors if they have concerns regarding any issues which have not been addressed by the Chair, Chief Executive or other usual business arrangements.

In general, for meetings of the Council of Governors:

- the Chair attends all meetings
- the Non-Executive Directors attend all meetings
- the Chief Executive, Deputy Chief Executive and Executive Director of Finance attend all meetings
- other executive and corporate Directors attend meetings, if required, for example to deliver reports, or as observers.

The Council of Governors also has powers to require attendance of a director at any of its meetings, under paragraph 26 (2) (aa) of Schedule 7 of the National Health Service Act 2006, for the purpose of obtaining information on the Foundation Trust's performance of its functions or the directors' performance of their duties. The Council of Governors did not exercise these powers during 2018/19.

#### **3.1.15 NHS Improvement's well-led framework**

NHS Improvement's framework is structured around eight characteristics of a well-led organisation shown below.

|  |   |   |
|--|---|---|
| 1<br>Is there the <b>leadership capacity and capability</b> to deliver high quality, sustainable care?                       | 2<br>Is there a clear <b>vision</b> and credible <b>strategy</b> to deliver high quality, sustainable care to people, and robust plans to deliver?                    | 3<br>Is there a <b>culture</b> of high quality, sustainable care?   |
| 4<br>Are there clear responsibilities, <b>roles</b> and systems of accountability to support good governance and management? | <b>Are services well led?</b>   | 5<br>Are there clear and effective processes for managing <b>risks</b> , issues and <b>performance</b> ?                |
| 6<br>Is appropriate and accurate <b>information</b> being effectively processed, challenged and acted on?                    | 7<br>Are the <b>people</b> who use services, the public, <b>staff</b> and <b>external partners engaged</b> and involved to support high quality sustainable services? | 8<br>Are there robust systems and processes for <b>learning</b> , continuous <b>improvement</b> and <b>innovation</b> ? |

### Leadership capacity and capability

Overall leadership is provided by the Board of Directors. The biographies of Board membership demonstrate they are highly experienced and from a broad range of professional backgrounds and the composition of the Board is regularly reviewed. All Board members are subject to an annual appraisal. Governors are actively involved in the appraisal of Non-Executive Directors.

The Trust has a clear policy for the appraisal for its staff and monitoring of the appraisal of senior leaders within the organisation takes place within the Executive Directors Group. There is a clear leadership, accountability and governance structure within the organisation and through this assurance on quality and safety of the operational clinical services is provided to the Quality Assurance Committee.

### Clear vision and credible strategy to deliver high quality, sustainable care

“Shaping the Future: Trust Strategy and Strategic Planning Framework 2017-2020” sets out our vision and the strategic objectives which will enable us to achieve our vision. The business plan to deliver our strategic direction is refreshed each year and takes into account changes to the internal and external environment and the views of stakeholders. Through this process, strategic priorities, including quality priorities (see our Quality Report in Section 4) are identified and agreed.

Any risks to the delivery of strategic objectives are recorded in the Trust’s Board Assurance Framework which is reviewed quarterly by the Board and Board Committees as well as by Executive Directors.

There are a number of strategies including the Quality Improvement and Assurance Strategy and Estates Strategy that support the delivery of our strategic direction, all of which have clear outcome measures which are monitored by the appropriate Board committee.

### Culture of high quality, sustainable care

We promote an organisational culture that is open, fair and transparent. We encourage our staff to be responsive and take an open approach towards identifying and understanding potential risks and responding to them. This includes requirements to report unsafe acts, untoward incidents or near misses using our incident reporting process.

We endeavour to underpin all we do through the application of our values of respect, compassion, partnership, accountability, fairness and ambition. We employ values-based recruitment for all staff and our Quality Improvement and Assurance Strategy supports a philosophy of continuous improvement and a model of co-production with our service users in the design and delivery of services.

### **Clear responsibilities, roles and system to support good governance and management**

Clarity of roles and responsibilities within our governance arrangements are provided in:

- the Constitution, which includes the schedule of matters reserved by the Board and Scheme of Delegation
- the Scheme of Delegation of Functions, which includes the Mental Health Act code of practice
- the terms of reference for Board committees
- our programme and project management arrangements.

There are a number of systems to support good governance including:

- the Insight clinical record system
- the Ulysses Risk Management System, which enables us to manage and report incidents, record risks and supports our serious incident processes
- the e-rostering system, which supports safe staffing in our services
- the patient acuity tool, which supports staffing numbers and skill mix to maintain effective care and safe staffing.

### **Clear processes to manage risk, issues and performance**

The key systems and processes in place for managing risks, issues and performance are aligned to our governance structure: The Board, its committees, the executive management team and clinical management groups, wards and teams.

Our Risk Management Strategy, which was refreshed in 2018, sets out clear roles and responsibilities and escalation processes for risk.

Our Internal Auditors undertook a review to identify whether we have a robust performance management framework in place and provided a significant level of assurance. This included the auditing of our governance arrangements, roles and responsibilities, reporting and escalation and assurance arrangements. In 2018/19 our Auditors undertook a review of our operational risk management and provided a significant opinion. We have worked hard to address the actions and have moved to an automated risk register system, providing training to many operational staff. A clear governance structure for the oversight of risk is in place and being embedded across clinical and corporate directorates.

In addition, our Auditors undertook a Board survey on governance, risk management and systems of internal control which formed part of their assessment for the annual Head of Internal Audit Opinion which for 2018/19 is significant.

### **Appropriate and accurate information being effectively processed, challenged and acted upon**

Our performance metrics and their targets are reviewed and refreshed each year as part of our business planning processes. Benchmarking and other external sources of information are used as appropriate and when available. Evidence of information being challenged and acted upon is provided in the minutes of Board and its committees. Board minutes are available to the public. Auditors reviewed our performance framework which included data quality and provided a significant opinion. In addition, our Data and Information Governance Board oversees the Trust's statutory duties and assures quality in regard to data and information, reporting to the Executive Directors Group and the Quality Assurance Committee.

### **People who use services, the public, staff and stakeholders are engaged and involved to support high quality sustainable services**

There are a broad range of measures in place to enable us to effectively engage. Primarily these are:

- our Council of Governors
- engagement with our membership
- the work of our Engagement Team
- microsystems
- formal consultations on service reconfigurations and change
- the national patient survey
- Care Opinion
- Friends and Family Test
- our involvement in the Integrated Care System
- our partnerships with commissioners
- membership and participation in local partnership boards
- membership and participation in local safeguarding boards
- engagement with local Healthwatch.

### **Using our Foundation Trust status to develop services and improve patient care**

Being a Foundation Trust helps us to:

- build on and improve positive relationships with service users, carers, staff, partners, stakeholders and the local population
- be more accountable to those we serve
- strengthen our internal processes and systems to meet the challenges of modern health services
- develop locally based services
- respond better to market opportunities
- engage with our commissioners to develop new models of care.

We are able to use our money more flexibly to support the priorities we have identified with our Governors and members. Key examples of this have been how we have built up our cash reserves to improve our estate and inpatient services.

Good progress has been made this year in finalising plans for significant improvements to the ward environment of our acute mental health inpatient services. We expect to finalise the business case during 2019/20 to launch a £34 million programme of modernisation and redevelopment of our mental health inpatient services.

### **3.1.16 Overview of the arrangements in place to govern service quality**



In order to ensure quality, the Trust's governance arrangements are summarised as follows:

- *Board of Directors*. See 3.1.7
- *Quality Assurance Committee*. The committee provides oversight of the Trust systems in respect of quality and performance
- *Audit Committee*. See 3.1.10.1
- *Executive Management Team*. See 3.1.3
- *systems of internal control*. See 3.7.

The Trust triangulates service performance across a range of indicators relating to care standards, quality, workforce and finance at service, Directorate and Trustwide level. See the Quality Report (Section 4) and the Quality Assurance Framework (3.7) for more information.

The above framework ensures that the Board of Directors can monitor and evaluate the performance of the Trust and its services, and to initiate improvement actions where required. Information about our Quality Assurance and Improvement Strategy is provided in the Quality Report in Section 4.

### **3.1.17 Information about the care we have provided**

#### **Did you know?**

We have maintained our commitment to the Armed Forces Corporate Covenant to support current and former members of the Armed Forces. The Covenant is a promise by the nation ensuring that those who serve or who have served in the armed forces, and their families, are treated fairly.

Our Quality Report, in Section 4, provides a range of information about:

- our performance against key healthcare targets and other information about how we have performed in respect of safety and effectiveness
- the findings from the CQC inspection of our services and the actions we have taken
- feedback received from other regulators or significant interested parties and actions we have taken
- progress we have made in delivering targets we agreed with our main commissioners
- our audit and research activities
- improvements in information provided to service users or members of the public
- information about complaints and how we have responded to complaints.

#### **Did you know?**

On average more than 94% of people would recommend our services to their friends and family.

### **3.1.18 Performance against key health care targets**

Our Quality Report, in Section 4, provides a detailed overview on how we have performed in respect of quality and targets across a range of services.

### **3.1.19 Arrangements for monitoring improvement in the quality of care**

We have identified a range of areas in which we want to make improvements. These are outlined in our Quality Report in Section 4, where we state our objectives for improving quality and the progress we have made over the last two years. This section also summarises the objectives we agreed with our commissioners for improving quality under the Commissioning for Quality and Innovation scheme.

### **3.1.20 Significant changes to the services we provide**

During the year the following changes were agreed that resulted in a significant change to the services we provide.

#### *New services.*

In partnership with Rotherham, Doncaster and South Humber NHS Trust and Light, a local perinatal peer support charity, we launched a new specialist community perinatal mental health service for Sheffield, Rotherham and Doncaster. This new service was supported by investment of £880,000 from NHS England to develop the new service during 2018/19. From next year the service will be jointly commissioned as a single service across Sheffield, Rotherham and Doncaster with ourselves as the lead provider within the partnership.

We also launched our new Decisions Unit towards the end of the year. This new service will work alongside a range of existing crisis services and will provide a safe place to support people in need of urgent mental health assessment, following their initial presentation and treatment in A&E or community crisis response services.

#### *Services we no longer provide.*

This year NHS England undertook a competitive tendering exercise to commission a new provider for Liaison and Diversion services across South Yorkshire. These services provide a range of health assessment and support for people within police custody and the criminal justice system. From 2019/20 we will no longer be providing these services for Sheffield. South West Yorkshire Partnership Foundation Trust will become responsible for these during 2019/20.

### **3.1.21 Working with commissioners, partners and stakeholders**

We work in partnership with the main organisations that commission our services, namely NHS Sheffield Clinical Commissioning Group and Sheffield City Council. This allows us to understand the health and social care needs of the wider population, to influence the commissioning approach taken and to develop new services for the benefit of the people of Sheffield. We have a well-established governance structure across Sheffield and agree each year a single transformation programme for the city between ourselves and our main commissioners.

We work in partnership with the other health and social care organisations in Sheffield as we collaborate to provide the best services for the people of Sheffield. There is a clear drive to change the way services are provided in Sheffield to deliver real improvements in community care and support for individuals' health and social care needs.

We work in partnership with a diverse group of interested parties across the public and third sector, voluntary and local community groups. This allows us to develop better relationships with other organisations who support people in Sheffield and fosters better collaborative working between us. We use these opportunities to promote the needs and interests of the people that we serve and to reduce some of the barriers individuals can often experience in accessing the services that they need.

In partnership with Primary Care Sheffield, the local organisation representing General Practice in Sheffield, we provide our GP services at the Clover Group of Practices (including Clover City Practice). This partnership supports our goals of developing new integrated models of care within a primary care setting.

We continued our partnership with South Yorkshire Housing Association on our intensive community rehabilitation service model - the Community Enhanced Recovery Team (CERT) also known as LivingWell, as well as on employment initiatives such as the Health Led Employment Trial WorkingWin, which is making a real difference for people with mental or physical health conditions.

We work in partnership with Sheffield Teaching Hospitals NHS Foundation Trust to provide occupational therapy and mental health services into the intermediate care services they provide.

Our Crisis House and 24-hour mental health helpline is provided by Rethink Mental Illness Ltd.

Our primary care services work closely with Darnall Wellbeing, Assist, Ashiana and a variety of other third sector organisations to provide integrated care to patients. The relationship goes beyond core general practice and supports the advocacy of patients' holistic needs. This has been further strengthened by the co-location of Darnall Citizens Advice in the surgery with weekly drop-ins and booked appointments.

### **South Yorkshire and Bassetlaw Integrated Care System - Sustainability and Transformation Plan**

In June 2017 the South Yorkshire and Bassetlaw Sustainability and Transformation Partnership (STP) was named as one of the first Integrated Care Systems (ICS) in the country. It is a partnership of 25 organisations responsible for looking after the health and care of the 1.5 million people living in Barnsley, Bassetlaw, Doncaster, Rotherham and Sheffield. More information about the ICS can be found on the ICS website:

<https://www.healthandcaretogethersyb.co.uk/>

ICS partners join forces where it makes sense to do so and where it makes a positive difference to patients, staff and the public. The aim is to break down organisational barriers so that it can wrap support, care and services around people as individuals and positively change lives.

Since inception the governance of the ICS has been and continues to be strengthened with updated interim arrangements put in place from 01 April 2019. While the ICS does not replace any legal or statutory responsibilities of any of the partner organisations, a number of groups discuss regional issues and agree how best to take things forward in collaboration. The ICS Oversight and Assurance Group (OAG) is attended by chairs from clinical commissioning groups, hospital trusts and health and wellbeing boards. The OAG offers support and challenge to the ICS Collaborative Partnership Board which has continued in 2018/19 and is attended by chief executives and accountable officers from acute and mental health hospitals, primary care, commissioning groups, local authorities, umbrella voluntary action organisations, Healthwatch organisations, NHS England and other arm's length bodies. CCGs are also currently reviewing their terms of reference for the Joint Committee Clinical Commissioning Groups (JCCC) with announcements regarding future working expected to be announced in the coming year.

A number of workstreams have been identified as priorities for the ICS, they are: mental health and learning disabilities; urgent and emergency care; primary and community care; cancer; maternity and childrens; elective and diagnostic; and population health management. In 2018/19 the workstreams have continued to work as networks, with key individuals from each partner organisation meeting on a regular basis to identify and develop opportunities to work together to improve health and care services.

In November 2017 the Treasury committed £3.5 billion of capital funding nationally for the period between 2017/18 and 2022/23 largely to support STP/ICS transformation schemes which will help to bring real benefits to patients including those across South Yorkshire and Bassetlaw. £10m had previously been set aside to support expansion of hyper-acute stroke services at Sheffield Teaching Hospitals and in February 2019 work began on the building of a £4.9m scanner facility at Doncaster and Bassetlaw Hospitals NHS Foundation Trust. Following capital funding being received by Barnsley Hospital NHS Foundation Trust, plans have been put forward co-locate and bring about close functional working of the Children's Assessment and Paediatrics Emergency Unit with a full business case expected to be completed by the Trust by March 2019.

The independent review of hospital services commissioned by the ICS concluded in 2018. The review looked at how hospital services are provided and what needs to happen to future proof them, taking into account local and national issues such as rising demand, workforce and resource challenges and consistently delivering quality standards.

Recommendations from the review, which were published in a report (including an easy read version) in May 2018, proposed that to continue providing high quality services, hospitals in Barnsley, Bassetlaw, Chesterfield, Doncaster, Rotherham and Sheffield must work together even more closely in a variety of different ways. This included ways for the hospitals to work together better with the development of hosted networks. It also included transforming the way we use our workforce, to make the best use of the staff we have at the moment, and to ensure that people receive care as close to their own homes as possible. The report can be found on the ICS website.

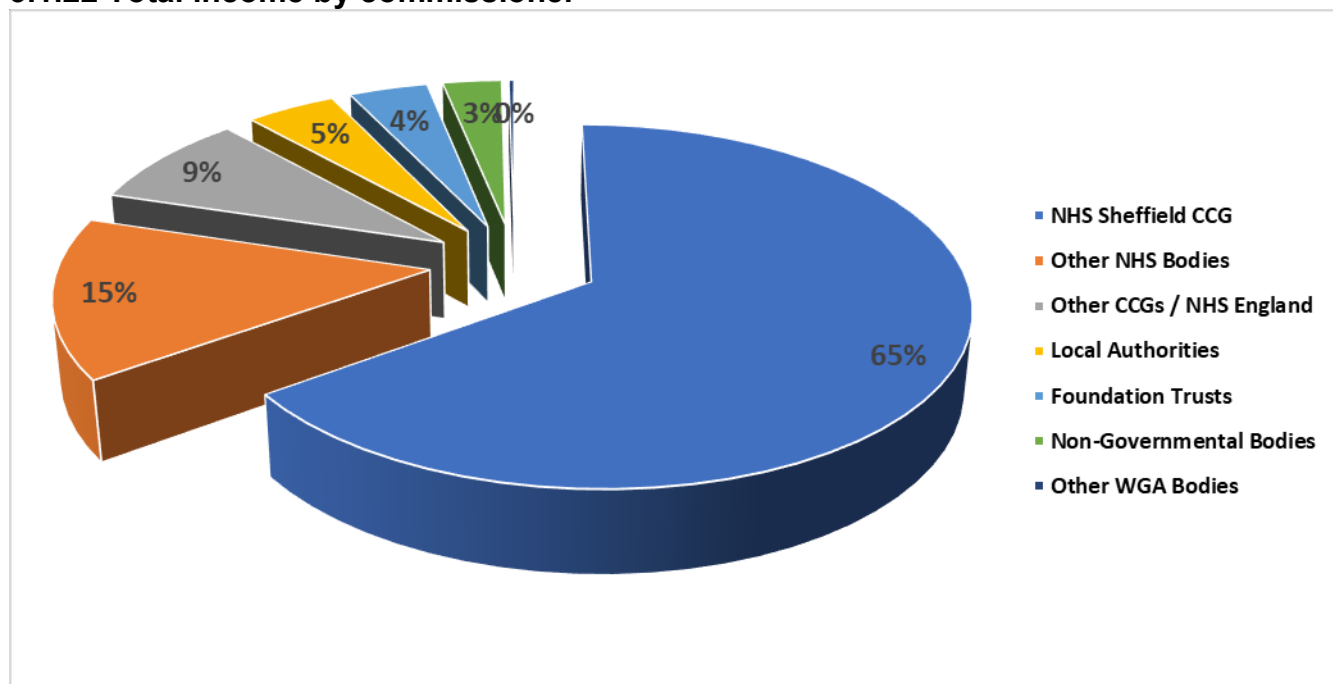
Following publication of the independent review, the Integrated Care System produced the Strategic Outline Case, which was accepted by all partners in August 2018. Since then modelling has taken place, hosted networks have been established, and next steps will be decided in March 2019.

Some of the South Yorkshire and Bassetlaw system achievements in 2018/19 have included:

- Be Cancer SAFE social movement campaign creating over 12,000 cancer champions in the five Places; raising awareness of signs and symptoms and encouraging conversations within communities
- 1,300 additional patients accessing support through the Living With and Beyond Cancer programme.
- meeting the 18-week waiting times target for elective and diagnostics across South Yorkshire and Bassetlaw
- improvements to the emergency out of hours ophthalmology service across the region to support a sustainable seven-day service
- becoming a national exemplar on reducing out of area placements in adult mental health services

- involvement in the national trial 'Working Win' which supports people with long-term physical or mental health conditions into work, with over 2,000 people already accessing the trial
- social prescribing support has been extended to mental health services
- mental health liaison services have been put in place in Rotherham and Sheffield Emergency Departments
- extended GP access at evenings and weekends has been available for 100% of patients since 1 October 2018
- 21 clinical pharmacists - who are able to prescribe - have joined the workforce and are now working in general practice
- establishing and developing 36 primary care networks covering 100% of the population, ensuring more joined up services at a local level
- a South Yorkshire and Bassetlaw Workforce and Training Hub has been established - recruiting local people into the NHS and helping them develop
- reducing extended length of stay and delayed transfers of care (helping patients get home quicker when they are medically fit for discharge)
- implementation of NHS 111 online, including direct booking and clinical assessment service
- completed procurement for Integrated Urgent Care – due to start from March 2019
- saved £4.3m by working with NHS organisations across South Yorkshire and Bassetlaw to procure some surgical supplies as a group rather than as individuals
- set up and launched the first AHP Council in the country where a broad range of Allied Health Professionals, including physiotherapists, dietitians and paramedics, come together to develop new ways of supporting health and care services
- gathered the views of over 14,000 people to help inform next steps for prescribing over the counter medicines
- introduced 135 trainee nurse associates into health and care services in Doncaster and Sheffield to undertake more routine tasks while better utilising the time of registered nurses in focusing on patients with more complex needs
- set up five 'hosted networks' for the hospital services covered in the Hospital Services Review, with each one of our South Yorkshire and Bassetlaw acute trusts taking the lead for an individual service, co-ordinating its running and supporting the future planning in closer collaboration with partners
- 825 non-clinical members of staff are now working as Care Navigators across the system, freeing up GP appointments by signposting patients to different services that might be more beneficial to them so they get the quickest and best care that is appropriate for their needs
- hospitals across the region have joined forces in a region-wide approach to support people to quit smoking. The initiative could see as much as a 40% reduction in smoking related deaths in two years.

### 3.1.22 Total income by commissioner



### 3.1.23 Consultations

We have not undertaken any formal public consultations during the year about proposed service changes and no consultations are in progress at the time of writing. In line with our established Operational Plan for 2019/20 we may consult on the development of intensive community services for people with a learning disability. We will consider the need and requirements for consultation once the options have been reviewed and finalised during the year.

### 3.1.24 Our broader public and service user involvement activities

Further information about our service user and public involvement activities can be found in the Quality Report in Section 4 and in Section 3.1.27.

### 3.1.25 Improving services from complaints and concerns

We are committed to ensuring that all concerns and complaints are dealt with promptly and investigated thoroughly and fairly. We value the feedback we receive from service users and carers and recognise the importance of using this feedback to develop and improve our services. Detailed information is provided in our comprehensive Annual Complaints report (which includes the complainant survey) and is available at: [www.shsc.nhs.uk/about-us/complaints](http://www.shsc.nhs.uk/about-us/complaints) and in the Quality Report in Section 4.

### 3.1.26 Council of Governors

#### The role of the Council of Governors

Governors play a vital role in governance arrangements of the Trust. They primarily carry out their role through the meetings of the Council of Governors, of which there were five in 2018/19. Details of the number of meetings attended by each Governor are later in this section.

All meetings of the Council of Governors are open to members of the public, except in instances where there are confidential matters which need to be discussed. In these circumstances members of the public are excluded for the confidential item only.

While responsibility for the Trust's management and performance rests with the Board of Directors, the Council of Governors has specific decision making powers conferred upon it by the Health and Social Care Act 2012 and the Trust's Constitution. These include:

- holding the Non-Executive Directors both individually and collectively to account for the performance of the Board of Directors
- holding the Board of Directors to account for the effective management and delivery of the organisation's strategic aims and objectives
- to be consulted by Directors on future plans, including any significant changes to the delivery of the Trust's business plan, and offer comment on those plans
- receiving the annual accounts, any auditor report regarding the accounts, and annual report
- deciding whether any private patient work undertaken by the Trust would significantly interfere with the Trust's principal purpose, which is to provide goods and services for the health service in England, or performing the Trust's other functions
- approving any proposed increases in non-NHS income of 5% or more in any financial year. Approval means that at least half of the Governors taking part in the vote agree with the increase
- approving 'significant transactions'
- approving an application by the Trust to enter into a merger, acquisition, separation or dissolution. In this case, approval means at least half the Governors taking part in the vote agree with the amendments
- approving amendments to the Constitution.

The Council of Governors also plays an equally important role in the governance of the Trust by:

- assisting the Board of Directors in setting the strategic direction of the Trust
- monitoring the activities of the Trust with a view to ensuring these are being carried out in a manner that is consistent with the Trust's Constitution and its terms of authorisation
- representing the interests of members and partner organisations
- providing feedback to members
- developing the Trust's membership strategy
- contributing to constructive debate regarding the strategic development of the NHS Foundation Trust and any other material and significant issues facing the organisation
- building and maintaining close relations between the Foundation Trust's constituencies and stakeholder groups to promote the effective operation of the Trust's activities.

In undertaking the above, the Council of Governors ensures that the Board of Directors is held to account by the Trust's key stakeholders.

The Engagement Policy which defines the relationship between the Board and Council sets out clearly the roles and responsibilities of each including that of the Chair, Chief Executive, Lead Governor, Senior Independent Director and Governors. Any disputes are resolved in accordance with the Trust's Constitution. The Engagement Policy provides further guidance on action to take dependent upon the nature of the dispute.

### **Composition of the Council of Governors**

The Council of Governors comprises 44 seats, 33 of which are elected from the membership. Governors are elected for a three-year term and can hold this position for a total of three terms. Eleven of the seats are for organisations with whom the Trust works or stakeholder organisations as they are called. These positions also have a three-year term.

The Council of Governors is chaired by Jayne Brown OBE who is also the Chair of the Board of Directors. It is her responsibility to ensure that Governors' views are represented at the Board of Directors and that information from the Board is fed back to the Council. She fulfils this responsibility through regular communication with Governors as well as providing updates at each Council meeting. The Chair also gives Governors the opportunity to meet with her.

It is a requirement of the regulator, NHS Improvement, that all Foundation Trusts have a Lead Governor. Jules Jones, Public South East Governor, was elected current Lead Governor in June 2015 and re-elected to the position in 2017 for a further two years.

Five Council of Governors meetings took place during 2018/19. The individual attendance of each Governor is shown below, which also shows a breakdown of seats on the Council and associated Governors as at 31 March 2019, including their term of office.

| Name                     | Constituency                        | Elected or appointed | Date appointed           | Term ends                | Meetings attended |
|--------------------------|-------------------------------------|----------------------|--------------------------|--------------------------|-------------------|
| Jules Jones              | Public south east and Lead Governor | Elected              | 01.07.2017               | 30.06.2020<br>Final term | 5/5               |
| Liz Donaghy              | Public south east                   | Elected              | 01.07.2017               | 23.07.2018               | 0/1               |
| David Houlston           | Public south west                   | Elected              | 01.07.2016               | 30.06.2019               | 4/5               |
| Angela Barney            | Public south west                   | Elected              | 01.07.2018               | 30.06.2021               | 4/4               |
| Mohammed Khawja Ziauddin | Public north east                   | Elected              | 01.05.2016               | 12.07.2018               | 1/1               |
| Sylvia Hartley           | Public north west                   | Elected              | 01.07.2014<br>01.07.2017 | 30.06.2017<br>30.06.2020 | 4/5               |
| John Buston              | Public north west                   | Elected              | 22.09.2014<br>01.07.2017 | 30.06.2017<br>30.06.2020 | 5/5               |
| Joan Green               | Public rest of England              | Elected              | 26.07.2017               | 30.06.2018               | 0/1               |
| Adam Butcher             | Service user                        | Elected              | 01.07.2016               | 30.06.2019               | 5/5               |
| Tyrone Colley            | Service user                        | Elected              | 01.07.2017               | 30.06.2020<br>Final term | 3/5               |
| Lee Coxon                | Service user                        | Elected              | 01.07.2018               | 30.06.2021               | 3/4               |
| Nick Hall                | Service user                        | Elected              | 01.07.2018               | 30.06.2021               | 3/4               |
| Pat Molloy               | Service user                        | Elected              | 01.07.2013<br>01.07.2016 | 30.06.2016<br>09.04.2018 | 0/0               |
| Toby Morgan              | Service user                        | Elected              | 01.07.2018               | 30.06.2021               | 4/4               |
| Julian Payne             | Service user                        | Elected              | 01.07.2017               | 30.06.2020               | 2/5               |
| Terry Proudfoot          | Service user                        | Elected              | 01.07.2016               | 30.06.2019               | 4/5               |
| Tammy Raines             | Service user                        | Elected              | 01.07.2017               | 05.04.2018               | 0/0               |
| Kate Steele              | Service user                        | Elected              | 01.07.2018               | 30.06.2021               | 4/4               |
| Joan Toy                 | Service user                        | Elected              | 01.07.2016               | 30.06.2019               | 3/5               |
| Ellie Wildbore           | Service user                        | Elected              | 01.07.2018               | 31.10.2018               | 1/2               |
| Michael Thomas           | Young service user/<br>carer        | Elected              | 01.05.2016               | 30.04.2019               | 4/5               |
| Rivka Smith              | Young service user/<br>carer        | Elected              | 01.07.2017               | 07.03.2019               | 1/5               |
| Billie Critchlow         | Carer                               | Elected              | 01.07.2016               | 30.06.2019               | 5/5               |



| Name                  | Constituency                     | Elected or appointed | Date appointed           | Term ends                | Meetings attended |
|-----------------------|----------------------------------|----------------------|--------------------------|--------------------------|-------------------|
| Sue Roe               | Carer                            | Elected              | 01.07.2013<br>01.07.2016 | 30.06.2016<br>30.06.2019 | 5/5               |
| Joanna Bartlett       | Social work staff                | Elected              | 01.07.2018               | 30.06.2021               | 1/4               |
| Dr Nusrat Mir         | Medical and clinical staff       | Elected              | 01.07.2018               | 30.06.2021               | 2/4               |
| Antony Sharp          | Support work staff               | Elected              | 01.07.2017               | 30.06.2020               | 4/5               |
| Maggie Young          | Allied health professional staff | Elected              | 01.07.2017               | 30.06.2020               | 4/5               |
| Dr Liz Carthy         | Psychology staff                 | Elected              | 01.07.2018               | 30.06.2021               | 3/4               |
| Adam Rogers           | Clinical support staff           | Elected              | 01.07.2017               | 30.06.2020               | 4/5               |
| Vin Lewin             | Nursing staff                    | Elected              | 01.04.2013<br>01.05.2016 | 31.03.2016<br>30.04.2019 | 2/5               |
| Sue Highton           | Appointed: Staffside             | Appointed            | 01.07.2017               | 30.06.2020<br>Final term | 3/5               |
| Cllr Steve Ayris      | Local Authority                  | Appointed            | 05.07.2017               | 04.07.2020               | 4/5               |
| Cllr Adam Hurst       | Local Authority                  | Appointed            | 05.09.2014<br>05.09.2017 | 04.09.2017<br>04.09.2020 | 2/5               |
| Cllr Josie Paszek     | Local Authority                  | Appointed            | 04.02.2015<br>04.02.2018 | 03.02.2018<br>03.02.2021 | 4/5               |
| Janet Sullivan        | Sheffield Mencap                 | Appointed            | 01.07.201                | 30.06.2020<br>Final term | 3/5               |
| David Bussue          | SACMHA Health and Social Care    | Appointed            | 23.02.2018               | 09.04.2018               | 0/0               |
| Fay Colphon           | SACMHA Health and Social Care    | Appointed            | 24.04.2018               | 23.04.2021               | 4/5               |
| Dr Abdul Rob          | Pakistan Muslim Centre           | Appointed            | 24.01.2017               | 23.01.2020<br>Final term | 4/5               |
| Ann Le Sage           | Sheffield Carer's Centre         | Appointed            | 27.04.2018               | 22.01.2019               | 2/3               |
| James Barlow          | Sheffield Carer's Centre         | Appointed            | 22.01.2019               | 21.01.2022               | 1/1               |
| Professor Scott Weich | University of Sheffield          | Appointed            | 05.09.2017               | 04.09.2020               | 4/5               |
| Susan Wakefield       | Sheffield Hallam University      | Appointed            | 08.09.2016               | 07.09.2019               | 2/5               |
| Mark Gamsu            | NHS Sheffield CCG                | Appointed            | 15.05.2017               | 14.05.2020               | 3/5               |

The attendance of Directors at Council of Governor meetings is shown below.

| Name                    | Title   | Total |
|-------------------------|---|-------|
| Jayne Brown             | Chair   | 5/5   |
| Professor Laura Serrant | Non-Executive Director  | 2/5   |
| Sandie Keene            | Non-Executive Director and Senior Independent Director        | 3/5   |
| Ann Stanley             | Non-Executive Director and Audit Committee Chair              | 5/5   |
| Richard Mills           | Non-Executive Director and Vice Chair                         | 5/5   |
| Cllr Olivia Blake       | Non-Executive Director  | 3/5   |
| Kevan Taylor            | Chief Executive   | 4/5   |
| Clive Clarke            | Deputy Chief Executive/Director of Operations                 | 5/5   |
| Mike Hunter             | Executive Medical Director                                    | 2/5   |
| Phil Easthope           | Executive Finance Director                                    | 3/5   |
| Liz Lightbown           | Executive Director of Nursing, Professions and Care Standards | 2/5   |
| Dean Wilson             | Director of Human Resources                                   | 4/5   |
| Margaret Saunders       | Director of Corporate Governance/Board Secretary              | 5/5   |

### Changes to the Council of Governors

In 2018/19 elections were held for vacancies in nine constituencies. Four seats were not filled and four constituencies were uncontested.

| Constituency               | Number of candidates | Successful candidates   | Declaration date | Term start date |
|----------------------------|----------------------|---|------------------|-----------------|
| Public south west          | Two                  | Angela Barney   | 19.06.2018       | 01.07.2018      |
| Service user               | Five                 | Lee Coxon<br>Nicholaus Hall<br>Toby Morgan<br>Kate Steele<br>Ellie Wildbore | 14.05.2018       | 01.07.2018      |
| Medical and clinical staff | One                  | Dr Nusrat Mir   | 14.05.2018       | 01.07.2018      |
| Psychology staff           | One                  | Dr Liz Carthy   | 14.05.2018       | 01.07.2018      |
| Social work staff          | One                  | Joanna Bartlett   | 14.05.2018       | 01.07.2018      |

### Governor Activities in 2018/19

#### Holding to Account

Throughout the year Governors have undertaken a number of activities which have enabled them to fulfil their statutory duties, represent members and the public and hold the Trust to account. The foundation of their success is dependent upon their relationship with the Board. The Board takes specific steps to cement its relationship with the Council of Governors in addition to the action it takes throughout the year to ensure that it fully understands the views of Governors. Non-Executive Directors meet with the Governors prior to each Council meeting where a sharing of information takes place and where Non-Executive Directors agree to pursue any issues with the Board that Governors raise.

Along with the Chief Executive and Non-Executive Directors, other Board members attend Council meetings when appropriate.

According to the Health and Social Care Act 2012, it is the role of the Council of Governors to ensure that the Trust operates within its terms of authorisation. The Trust must furnish Governors with sufficient information to give assurance on the safety, quality and cost effectiveness of its services. This is undertaken through a variety of methods including performance reports to every Council meeting, annual reviews with the Board of Directors and through regular dialogue with Non-Executive Directors.

To further strengthen the Board's accountability and increase its scrutiny, Governors are invited to ask questions of the Board at each meeting. The responses to these are formalised in the minutes of Council meetings. Governors have used this mechanism to raise questions on a range of matters including assertive outreach, discrimination, membership engagement, control of medication, size of caseloads, waiting times for gender identity services, maintaining care plans and rates of missed appointments during a period of reconfiguration, safety of inpatient wards, the estates strategy, spend on external consultants, support for service users on case management, staff wellbeing, levels of non-pay spend and volunteer pastors. They also raised questions in relation to the transition between children and young people's mental health services to adult mental health services, the Care Quality Commission Well-led inspection and the five-year forward view for mental health.

### **The Forward Plans**

Governors' views on our forward plans are sought each year along with the views of staff, service users and other stakeholders. Two sessions took place with Governors in November 2018 and January 2019 to gather views which then helped to shape our objectives.

### **Other activities**

Governors received a comprehensive Trust induction in 2018/19 which aligns with the good practice guidance from NHS Providers.

In addition to their statutory duties, Governors were involved in a number of other areas of the Trust. Through their wider interests, the Governors were able to bring a broader spectrum of views to Council.

Governors are required to declare any material or financial interests in the Trust. For a copy of the register of interests, please email [governors@shsc.nhs.uk](mailto:governors@shsc.nhs.uk).

### **The Nominations and Remuneration Committee of the Council of Governors**

The appointment of the Chair and other Non-Executive Directors is the responsibility of the Council of Governors. The process of selecting suitable candidates to be recommended for appointment by the Council is delegated to a Committee of the Council of Governors known as the Nominations and Remuneration Committee (NRC). In addition, the NRC has responsibility for monitoring the performance evaluation of the Chair and the Non-Executive Directors.

It is the responsibility of the Council of Governors to both appoint and remove Non-Executive Directors. Termination requires the approval of three-quarters of the members of the whole Council of Governors pending a formal process involving a number of rigorous elements and culminating in a vote requiring the approval of three-quarters of the members of the whole Council of Governors.

The Chair presides over the meetings except in circumstances where there would be a conflict of interest in which case the Reserve Chair, who is a member of the Council and Lead Governor, presides. For the appointment of the Chair, the Senior Independent Director presides over the meeting.

There were six meetings of the committee during 2018/19 and attendance of committee members is shown in the table below.

The committee recommended to the Council of Governors that the Constitution be amended to allow reappointment of high performing Non-Executive Directors. This was debated and agreed by the Council. However an additional requirement was included for assurance purposes that reappointment would be subject to approval of 75% of Governors present and voting.

The committee also reviewed and revised the Non-Executive Director appraisal process to strengthen the governor voice. Prior to appraisal of all Non-Executive Directors including the Chair, the views of Governors and Board members are sought. This feedback, together with a self-assessment, informs the appraisal which is led by the Chair with the Lead Governor and further member of NRC in relation to Non-Executive Director appraisals. The Chair's appraisal is led by the Senior Independent Director with the Lead Governor and Chief Executive.

In October 2018, the committee recommended a temporary extension of Ms Stanley and Mr Mills' terms of office to 31 May 2019. This was duly approved by the Council of Governors and in February 2019, the Council of Governors voted to adopt an open recruitment process to follow Ms Stanley and Mr Mills' end of term.

Membership and attendance of the Nomination and Remuneration Committee is as follows:

| Name            | Position                          | Attendance |
|-----------------|-----------------------------------|------------|
| Jayne Brown OBE | Chair                             | 6/6        |
| Jules Jones     | Lead and public Governor          | 4/6        |
| Maggie Young    | Staff Governor                    | 5/6        |
| Sylvia Hartley  | Public Governor                   | 5/6        |
| Cllr Adam Hurst | Appointed Governor                | 5/6        |
| Michael Thomas  | Young Service User/Carer Governor | 3/6        |
| John Buston     | Public Governor                   | 4/6        |
| Adam Butcher    | Service User Governor             | 5/6        |

### 3.1.27 Membership

#### Listening and responding

Our 44 Governors and more than 12,500 members helped set our objectives for the year.

Foundation Trust status gives us the advantage of being closely influenced by the people who live in the communities that we serve. This is reflected in the diversity of the constituencies into which our membership base is divided.

### Constituencies, eligibility criteria and membership numbers

There are three elected membership constituencies, each of which has a number of classes within. The table details each one and its eligibility criteria and where applicable, the number of members in the class as at 31 March 2019.

| Constituency | Class                      | Number of members | Criteria   |
|--------------|----------------------------|-------------------|--|
| Public       | South West                 | 2,865             | Must live in the following electoral wards: Gleadless Valley, Dore and Totley, Fulwood, Graves Park, Nether Edge, Ecclesall, Beauchief and Greenhill or Crookes. |
| Public       | South East                 | 2,554             | Must live in the following electoral wards: Darnall, Manor Castle, Arbourthorne, Richmond, Birley, Mosborough, Beighton or Woodhouse.                            |
| Public       | North West                 | 2,245             | Must live in the following electoral wards: Stocksbridge and Upper Don, Stannington, Hillsborough, Walkley, Broomhill or Central.                                |
| Public       | North East                 | 2,494             | Must live in the following electoral wards: West Ecclesfield, East Ecclesfield, Southey, Firth Park, Burngreave or Shiregreen and Brightside.                    |
| Public       | Rest of England            | 554               | Any area within England outside of the Sheffield electoral wards.  |
| Service User | Service User               | 997               | Must have received a service or services from the Trust within the last five years.  |
| Service User | Carer                      | 639               | Must have cared for someone who has received a service from the Trust in the last five years.  |
| Service User | Young Service User/ Carer  | 95                | A service user or carer, but must be 35 years old or younger.  |
| Staff        | Allied Health Professional | 144               | Must have either worked for the Trust continuously for at least 12 months or have a contract of no fixed term  |
| Staff        | Central Support            | 255               |  |
| Staff        | Clinical Support           | 502               |  |
| Staff        | Medical and Clinical       | 116               |  |
| Staff        | Nursing                    | 612               |  |
| Staff        | Psychology                 | 329               |  |
| Staff        | Social Work                | 8                 |  |
| Staff        | Support Work               | 386               |  |

| Constituency | Class   | Number of members | Criteria       |
|--------------|---|-------------------|----------------|
| Appointed    | Stakeholder Organisation: PMC                         | Not applicable    | Not applicable |
| Appointed    | Stakeholder Organisation: SACMHA Health & Social Care |                   |                |
| Appointed    | Stakeholder Organisation x two                        |                   |                |
| Appointed    | Local Councillors x three                             |                   |                |
| Appointed    | Staffside   |                   |                |
| Appointed    | Sheffield Hallam University                           |                   |                |
| Appointed    | University of Sheffield                               |                   |                |
| Appointed    | NHS Sheffield Clinical Commissioning Group            |                   |                |

At the end of March 2019 there were 12,443 members (excluding staff).

### Developing a representative membership

As a successful Foundation Trust, it is our aim to maintain and further develop a membership that involves and reflects a wide representation of our local communities. We have set out how we intend to do this through our membership strategy. As well as defining the membership, this strategy outlines how we plan to:

- benefit from being a membership-based organisation
- communicate with and support the development of its membership
- make sure that the membership is reflective of Sheffield's diversity
- provide opportunities for our members to become involved with the Trust in ways that suit their needs and wishes.

Some of the actions identified to achieve these four points are:

- publicising widely the opportunities and benefits of membership
- recruiting members from across the whole community
- targeting hard to reach groups specifically
- developing and supporting effective channels of communication and engagement between Governors and members
- ensuring membership is a worthwhile experience for individuals by engaging with individuals in a manner of their choice.

### Membership recruitment and engagement

In line with the Trust's membership strategy to both recruit and engage members from across Sheffield, Governors and staff participated in a number of community events, specifically targeting ones in areas of the city with a high ethnicity and also targeting specific groups such as people with a learning disability.

The Trust held a very successful Annual Members' Meeting in 2018 which more than 200 staff and members attended. The event provided an opportunity for members to learn more about the Trust and its services. Governors presented a report on their activities to members.

A successful Wellbeing Festival was held in July 2018 in which wellbeing organisations from across the city participated. Governors attended and engaged with members of public, helping to recruit over 80 new members.

The Trust maintains a public profile, with the primary focus of communication via *Involve*, membership magazine, the focus of which remains on issues important to members and the provision of information regarding all aspects of the Trust's services.

The Trust website provides members with updated information and with ease of access in communicating with both the Trust and Governors. There is also a Trust presence on Facebook, Twitter, Instagram and LinkedIn and makes use of these social media platforms to promote, inform and engage members and the public.

If you want to contact your Governor, you can telephone (0114) 2718768, email [governors@shsc.nhs.uk](mailto:governors@shsc.nhs.uk) or write to:

The Council of Governors  
FREEPOST  
SHSC NHS FOUNDATION TRUST

### **3.1.28 Political or charitable donations we have made**

The Trust has not made any political or charitable donations during the year 2018/19 as it is not lawful for an NHS Foundation Trust to make such donations.

### **3.1.29 Cost allocation and charging guidance**

The Trust complies with the cost allocation and charging guidance issued by HM Treasury in 'Managing Public Money', in that we seek to set charges that recover full costs, calculating costs on an accruals basis, including overheads, depreciation and the cost of capital.

### **3.1.30 Income disclosures**

In 2018/19, we met the requirement that income from the provision of goods and services for the purposes of the Health Service in England must be greater than its income from the provision of goods and services for any other purposes as defined under section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012).

All net income from the provision of goods and services for other purposes has been reinvested back into frontline healthcare for the benefit of service users.

### **3.1.31 The Better Payments Practice Code**

The Better Payments Practice Code target is to pay all non-NHS trade creditors within 30 days of receipt of goods or a valid invoice (whichever is later) unless other payment terms

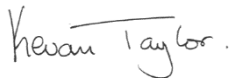
have been agreed. The disclosure is completed on the basis of total bills paid. The calculations are carried out excluding invoices in dispute.

The Trust pays very few NHS bodies, making percentage compliance for NHS bodies challenging. However, we achieved 100% compliance throughout 2018/19 by both number and value.

Performance for non-NHS bodies is 99% by both number and value and is improving.

The Trust is also signed up to the Prompt Payment Code administered by the Chartered Institute of Credit Management on behalf of the Department for Business Innovation and Skills. Code signatories undertake to pay suppliers on time within the terms agreed, give clear guidance to suppliers and encourage good practice through their supply chains. Signatories also undertake to pay suppliers within a maximum of 60 days and to work towards adopting 30 days as the norm.

There is no liability accruing in the year 2018/19 under the legislation as a result of late payments.

A handwritten signature in black ink, appearing to read 'Kevin Taylor'.

Chief Executive  
24 May 2019



## Listening and responding

Service users meet with us regularly through a process called *microsystem improvements*, and key to the success of this is that they have an equal voice to staff. We also have many service user networks across the Trust co-chaired by service users, for service users.

### 3.2 Remuneration Report

#### Executive Directors' remuneration

The Remuneration and Nominations Committee of the Board of Directors comprises of the Non-Executive Directors. The committee is chaired by Jayne Brown OBE, the Trust Chair.

The committee is responsible for determining the remuneration and terms and conditions of service of the Executive Directors (including the Chief Executive) in order to ensure that they are properly rewarded having regard to the Trust's circumstances.

The Chief Executive attends the committee's meetings in an advisory capacity. The Director of Human Resources and the Director of Corporate Governance/Board Secretary attend the committee's meetings to provide advice and professional support to its members.

The committee met on one occasion during 2018/19 and committee members' attendance is as shown in the table below:

| Name                    | Position                                    | Attendance |
|-------------------------|---|------------|
| Jayne Brown OBE         | Committee Chair                             | 0/1        |
| Councillor Olivia Blake | Committee Member and Non-Executive Director | 0/1        |
| Sandie Keene CBE        | Committee Member and Non-Executive Director | 1/1        |
| Richard Mills           | Committee Member and Non-Executive Director | 1/1        |
| Professor Laura Serrant | Committee Member and Non-Executive Director | 0/1        |
| Ann Stanley             | Committee Member and Non-Executive Director | 1/1        |

The committee meets at least once a year to decide on the appropriate remuneration and terms and conditions of service of the Executive Directors. These terms and conditions are determined by the committee and include all aspects of remuneration, provisions for other benefits (such as pensions and cars) and arrangements for termination of employment or other contractual terms.

The committee is responsible for monitoring the performance of the Chief Executive, based on an annual review provided by the Trust Chair, and of all the other Executive Directors based on an annual report provided by the Chief Executive.

The Executive Directors are on permanent contracts, and six months' notice is required by either party to terminate the contract. The only contractual liability on the Trust's

termination of an Executive's contract is six months' notice. Any other liability, such as unfair dismissal compensation, would depend on the circumstances of the case. The table overleaf provides details of Executive Directors' contracts:

| Executive Director | Date of contract | Unexpired terms (years to age 65) |
|--------------------|------------------|-----------------------------------|
| Kevan Taylor       | February 2003    | 7                                 |
| Clive Clarke       | April 2003       | 10                                |
| Liz Lightbown      | April 2011       | 13                                |
| Dr Mike Hunter     | October 2016     | 18                                |
| Phillip Easthope   | January 2016     | 25                                |

The Chief Executive undertakes annual appraisals with all Executive Directors, and progress on objectives is assessed at monthly one-to-one meetings with each Executive Director.

The Chief Executive reports the outcomes of these appraisals to the Board's Remuneration and Nominations Committee. The Chief Executive's own performance is monitored by the Chair at regular one-to-one meetings, and he is subject to annual appraisal by the Chair who reports the outcome of his appraisal to the Board's Remuneration and Nominations Committee.

The Board's Remuneration and Nominations Committee reviews the remuneration of Executive Directors annually, taking into account information on remuneration rates for comparable jobs in the National Health Service.

The Executive Directors' remuneration levels are referenced to the Chief Executive's level of remuneration and any increases determined for the Chief Executive. Performance-related pay is not applied under current arrangements.

It was determined that the same increase be awarded to the Executive Team as applied to staff on the relevant Agenda for Change pay bands. As staff at the higher bandings did not receive any increases under Agenda for Change, then no increase applied to the Executives.

The salary of the Chief Executive is benchmarked annually for review alongside other similar roles across the NHS and specifically both regionally, and against other Mental Health Trusts. The current remuneration level is below average when this comparison is made.

The salary component for Executives supports the short and long term strategic objectives of the Trust as it assists us in attracting and retaining senior managers who have the necessary skills and experience to lead the Trust and take forward the identified objectives. The salary is paid through our normal payroll processes. There is no specified maximum on the level of remuneration which could be paid but account would be taken of available benchmarking information and the relationship with the salaries available to other staff. There is provision, on termination of the contract, for the non-payment of salary in lieu of outstanding leave.

## **Non-Executive Directors' remuneration**

There is a Nominations and Remuneration Committee of the Council of Governors whose responsibility, among others, is to make recommendations to the Council of Governors on the remuneration, allowances and other terms and conditions of office of the Chair and all Non-Executive Directors. It is for the Council of Governors, in general meeting, to determine the remuneration, allowances and other terms and conditions of office of the Chair and the Non-Executive Directors, taking into account the recommendations made to it by the Nominations and Remuneration Committee.

It is the responsibility of the Council of Governors' Nominations and Remuneration Committee to monitor the performance of the Trust Chair and Non-Executive Directors. The committee may, in appropriate cases, or, if specifically requested by the Council of Governors to do so, report its findings to the Council. Details of the activities of the Nominations and Remuneration Committee for the past year are reported on in Section 3.1.26 of this report.

Details of the remuneration paid to all of the Directors during 2018/19 are shown in Table A on the following page. The Non-Executive Directors' duration of office is reported in Section 3.1.8 of this report.

### **Directors' remuneration and pension entitlements**

All Executive Directors are contributing members of the NHS-defined benefit pension scheme and are eligible for a pension of up to half of final salary on retirement. The scheme provides a lump sum of three times the final salary on retirement. Executive Directors in the scheme receive the same benefits as other staff members. The 'Pension Benefits' Table C provides details of the current pension and lump sum position for each Director.

**Table A: Salaries and allowances**

| Name and title               | Period 1.4.18 to 31.3.19             |   |  |   |  |   |                            | Period 1.4.17 to 31.3.18             |   |  |   |  |   |                            |
|------------------------------|--------------------------------------|---|--|---|--|---|----------------------------|--------------------------------------|---|--|---|--|---|----------------------------|
|                              | Salary and Fees<br>(bands of £5,000) | Other Remuneration<br>(bands of £5,000) | Taxable Benefits<br>(rounded to the nearest £00) | Annual Performance Related Bonuses<br>(bands of £5,000) | Long-Term Performance Related Bonuses<br>(bands of £5,000) | Pension Related Benefits<br>(bands of £2,500) | Total<br>(bands of £5,000) | Salary and Fees<br>(bands of £5,000) | Other Remuneration<br>(bands of £5,000) | Taxable Benefits<br>(rounded to the nearest £00) | Annual Performance Related Bonuses<br>(bands of £5,000) | Long-Term Performance Related Bonuses<br>(bands of £5,000) | Pension Related Benefits<br>(bands of £2,500) | Total<br>(bands of £5,000) |
| J. Brown OBE, Chair          | 35-40                                | 0                                       |  |   |  |   | 35-40                      | 35-40                                | 0                                       |  |   |  |   | 35-40                      |
| P.A. Stanley, Non-Exec       | 10-15                                | 0                                       |  |   |  |   | 10-15                      | 10-15                                | 0                                       |  |   |  |   | 10-15                      |
| Coun. O Blake, Non-Exec      | 10-15                                | 0                                       |  |   |  |   | 10-15                      | 5-10                                 | 0                                       |  |   |  |   | 5-10                       |
| R. Mills, Non-Exec           | 10-15                                | 0                                       |  |   |  |   | 10-15                      | 10-15                                | 0                                       |  |   |  |   | 10-15                      |
| Prof. L.M. Serrant, Non-Exec | 10-15                                | 0                                       |  |   |  |   | 10-15                      | 0                                    |   |  |   |  |   | 0                          |
| S.J Keene, CBE Non-Exec      | 10-15                                | 0                                       |  |   |  |   | 10-15                      | 0                                    |   |  |   |  |   | 0                          |

**Note:** Prof Serrant and S.J Keene joined the Board in 2018.

| Name and title  | Period 1.4.18 to 31.3.19          |                                      |   |  |   |  |                         | Period 1.4.17 to 31.3.18          |                                      |   |  |   |  |                         |
|---|-----------------------------------|--------------------------------------|---|--|---|--|-------------------------|-----------------------------------|--------------------------------------|---|--|---|--|-------------------------|
|   | Salary and Fees (bands of £5,000) | Other Remuneration (bands of £5,000) | Taxable Benefits (rounded to the nearest £00) | Annual Performance Related Bonuses (bands of £5,000) | Long-Term Performance Related Bonuses (bands of £5,000) | Pension Related Benefits (bands of £2,500) | Total (bands of £5,000) | Salary and Fees (bands of £5,000) | Other Remuneration (bands of £5,000) | Taxable Benefits (rounded to the nearest £00) | Annual Performance Related Bonuses (bands of £5,000) | Long-Term Performance Related Bonuses (bands of £5,000) | Pension Related Benefits (bands of £2,500) | Total (bands of £5,000) |
| K. Taylor, Chief Exec   | 145-150                           | 0                                    |   |  |   |  | 145-150                 | 145-50                            | 0                                    |   |  |   | 5-7.5                                      | 150-155                 |
| C. Clarke, Deputy Chief Exec, Exec Director Operations and Social Care Lead | 125-130                           | 0                                    |   |  |   | 10-12.5                                    | 140-145                 | 120-125                           | 0                                    |   |  |   | 10-12.5                                    | 135-140                 |
| P.Easthope, Exec Director Finance   | 115-120                           | 0                                    |   |  |   | 17.5-20                                    | 135-140                 | 110-115                           | 0                                    |   |  |   | 22.5-25                                    | 135-140                 |
| Dr M. Hunter, Exec Medical Director   | 175-180                           | 0                                    |   |  |   |  | 175-180                 | 170-175                           | 0                                    |   |  |   | 17.5-20                                    | 190-195                 |
| E. Lightbown, Exec Director Nursing, Professions and Care Standards         | 110-115                           | 0                                    |   |  |   | 25-27.5                                    | 140-145                 | 105-110                           | 0                                    |   |  |   | 37.5-40                                    | 145-150                 |

Paragraph 4 - 16 inclusive of Part 3 of Schedule 8 to the Regulations requires the disclosure of the remuneration figures detailed and includes a single remuneration for each senior manager who served during the year in tabular form as shown above.

**Table B: Senior managers' remuneration**

| Component                             | Description  |
|---------------------------------------|--|
| Salary and fees                       | The salary component for Executives supports the short and long term strategic objectives of the Trust as it assists the Trust in attracting and retaining senior managers who have the necessary skills and experience to lead the Trust and take forward the identified objectives. The salary is paid through our normal payroll processes. There is no specified maximum on the level of remuneration which could be paid, but account would be taken of available benchmarking information and the relationship with the salaries available to other staff. There is provision, on termination of the contract, for the non-payment of salary in lieu of outstanding leave. |
| Other remuneration                    | No Executive currently receives payment under this component.  |
| Taxable benefits                      | No Executive currently receives payment under this component.  |
| Annual performance related bonuses    | Performance-related pay is not applied under current arrangements.   |
| Long-term performance related bonuses | Performance-related pay is not applied under current arrangements.   |
| Pension related benefits              | There is nothing in addition to the normal NHS pension employer contributions for all staff.   |

**Note:** There are no new components of the remuneration package. There have been no changes made to existing components of the remuneration package. The Executive Directors' remuneration levels are referenced to the Chief Executive's level of remuneration and any increases determined by the Remunerations and Nominations Committee. The remuneration levels for employees are set by Agenda for Change or other relevant agreed contractual arrangements.

## The Hutton Disclosure

|  | 1.4.18 to 31.3.19 | 1.4.17 to 31.3.18 |
|--|-------------------|-------------------|
| Band of highest paid Director's total (remuneration £000)                    | 175 - 180         | 170 - 175         |
| Median total remuneration  | 28,050            | 22,128            |
| Ratio of median remuneration to midpoint of the highest paid Director's band | 6.3               | 7.9               |

In accordance with the Hutton Review of Fair Pay, 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 median remuneration is based on full time equivalent directly employed staff as at 31 March, excluding the highest paid Director (as per the guidance).

In this calculation total remuneration includes salary, non-consolidated performance related pay and benefits in kind, as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The median is the middle number in a sorted list of numbers. The ratio is the number of times the median can be divided into the highest paid Director's total remuneration.

## Directors and Governors expenses

|   | 2018/19<br>£00 | 2017/18<br>£00 |
|---|----------------|----------------|
| Expenses shown in £00s                      |                |                |
| Aggregate sum of expenses paid to Governors | 2              | 0              |
| Aggregate sum of expenses paid to Directors | 29             | 28             |
| Total                                       | <u>31</u>      | <u>28</u>      |

|   | Number in office |         | Number receiving expenses |         |
|---|------------------|---------|---------------------------|---------|
|   | 2018/19          | 2017/18 | 2018/19                   | 2017/18 |
| Governors   | 35               | 28      | 4                         | 0       |
| Directors (excluding the Chair and Non-Executive Directors) | 5                | 5       | 5                         | 5       |

### Table C: Pension benefits

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

| Name and title   | Real increase in pension at pension age<br><br>(bands of £2,500)<br>£000 | Real increase in pension lump sum at pension age<br><br>(bands of £2,500)<br>£000 | Total accrued pension at pension at 31 March 2019<br><br>(bands of £5,000)<br>£000 | Lump sum at pension age related to accrued pension at 31 March 2019<br><br>(bands of £5,000)<br>£000 | Cash equivalent transfer value at 31 March 2019<br><br>£000 | Cash equivalent transfer value at 31 March 2018<br><br>£000 | Real increase in cash equivalent transfer value<br><br>£000 | Employer's contribution to stakeholder pension<br><br>£000 |
|--|--|---|--|--|---|---|---|--|
| K. Taylor, Chief Executive                             | 0 - 2.5  | 0 - 2.5   | 55 - 60  | 175 - 180  | 1,497   | 1,317   | 140   | 0  |
| C. Clarke, Deputy Chief Executive and Social Care Lead | 0 - 2.5  | 0   | 25 - 30  | 85 - 90  | 676   | 577   | 82  | 0  |
| P. Easthope, Executive Director of Finance             | 0 - 2.5  | 0   | 20 - 25  | 50 - 55  | 365   | 285   | 71  | 0  |
| Dr M. Hunter, Executive Medical Director               | 0  | 0   | 0  | 0  | 0   | 0   | 0   | 0  |
| E. Lightbown, Chief Nurse/Chief Operating Officer      | 0 - 2.5  | 5 - 7.5   | 40 - 45  | 125 - 130  | 961   | 800   | 137   | 0  |

**Note:** The majority of employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practitioners and other bodies under the direction of the Secretary of State, in England and Wales. As a consequence, it is not possible for the Trust to identify its share of the underlying scheme assets and liabilities. A small number of staff are, however, members of South Yorkshire Pensions scheme. Further details can be found in the Annual Accounts at note 1.7 and note 35 and 35.1



**Service contract obligations**

There is a requirement to notify of any outside business interests and/or contracts/proposed contracts where there is a financial interest. Prior written consent is required for engaging in any other business, profession, trade or occupation.

The intellectual property created during the course of employment belongs to the Trust and there is provision for payment to Trust for any remuneration which arises from such intellectual property.

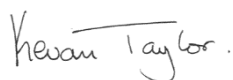
**Policy on payment for loss of office**

There is a requirement on each side to provide six months' written notice. The principles for approaching payment for loss of office will be those arising from the legal obligations of the Trust under normal contractual or statutory provisions.

The Trust reserves the right to terminate the contract forthwith for offences of gross misconduct and other similar situations such as serious breach of the contract, becoming bankrupt, being convicted of a criminal offence, becoming permanently incapacitated and/or becoming disqualified from holding office as an Executive Director.

**Statement of consideration of employment conditions elsewhere in the Trust**

The committee took explicit account of the Agenda for Change pay award which was effective from 01 April 2017 and, this year, applied the same increase to Executive Directors. There was no consultation with staff regarding this increase.



Chief Executive  
24 May 2019

## Listening and responding

A service user told us that it would help to establish good ground rules before joining the Eating Disorders Day Service so we have put them up in a prominent place. We are also updating our handbook for people who use the service.

### 3.3 Staff report

#### 3.3.1 Staff numbers and staff costs

There has been a decrease in substantive staff and a slight increase in the use of agency staff, which is partly due to improved use of the Trust-wide systems for recording any agency use.

| Average number of people employed (whole time equivalent basis)               | 2018/19 Number | 2017/18 Number |
|---|----------------|----------------|
| Medical and dental  | 147            | 147            |
| Administration and estates  | 434            | 446            |
| Healthcare assistants and other support staff                                 | 745            | 745            |
| Nursing, midwifery and health visiting staff                                  | 503            | 665            |
| Scientific, therapeutic and technical staff                                   | 268            | 255            |
| Social care staff (employed by the local authority and seconded to the Trust) | 33             | 77             |
| Other   | 6              | 6              |
|   | <b>2,120</b>   | <b>2,341</b>   |

As at 31 March 2019 the gender ratio of staff is 73% female, 27% male. Of our Directors six are female and five are male. Of our other senior managers, 19 are female and 17 are male.

|  | Permanent<br>£000 | Other<br>£000 | 2018/19 Total<br>£000 | 2017/18 Total<br>£000 |
|--|-------------------|---------------|-----------------------|-----------------------|
| Salaries and wages                       | 89,457            | 625           | 90,082                | 71,241                |
| Social security costs                    | -                 | -             | -                     | 6,953                 |
| Apprenticeship levy                      | 349               | -             | 349                   | 345                   |
| Employer's contributions to NHS pensions | -                 | -             | -                     | 8,675                 |
| Pension cost – other                     | -                 | -             | -                     | 623                   |
| Other post-employment benefits           | -                 | -             | -                     | -                     |
| Other employment benefits                | -                 | -             | -                     | -                     |
| Termination benefits                     | 66                | -             | 66                    | 486                   |
| Temporary staff                          |                   |               |                       |                       |

|   |               |              |               |        |
|---|---------------|--------------|---------------|--------|
| <b>Total gross staff costs</b>          | <b>89,872</b> | <b>4,143</b> | <b>94,015</b> | 91,677 |
| Recoveries in respect of seconded staff | -             | -            | -             | -      |
| <b>Total staff costs</b>                | <b>89,872</b> | <b>4,143</b> | <b>94,015</b> | 91,677 |
| <b>Of which</b>                         |               |              |               |        |
| Costs capitalised as part of assets     | 305           | 24           | <b>329</b>    | 228    |

### Did you know?

Each year we offer two members of our support staff the opportunity to undertake a Registered Nurse Degree Apprenticeship with the Open University.

### 3.3.2 Sickness absence

We hold an annual staff conference on the management of sickness absence to help ensure our staff have an improved understanding of the causes of sickness, and the actions which are available and appropriate to improve and promote attendance. From 2019/20 this conference will be reframed as a staff health and wellbeing event with a focus on physical and mental wellbeing. The agenda for our staff wellbeing conference is developed through the work of our Joint Staff Working Party on promoting attendance and managing sickness absence.

Our sickness absence level continues to be a focus for action as it remains higher than our organisational target of 5.1%. Our actions to date include a continuous plan for raising awareness of the importance of the issue (including our conferences), and the development of an action plan. The action plan included the appointment of an Attendance and Sickness Absence Case Manager to review in detail, those individuals whose level of sickness absence has given cause for concern, and to provide managers with dedicated support and guidance in managing situations where triggers within the policy have been hit.

Recently we have also undertaken a process of reviewing and renaming the existing absence management policy with a view to simplifying the language and the various stages contained within it. To support the revised policy, management training has been refreshed with additional training sessions supporting awareness and health and wellbeing now on offer. We are currently in the process of updating the policy to ensure it continues to support the reduction of sickness. We continue to work closely with Staff Side colleagues in a partnership approach.

In managing sickness cases we recognise the importance of good quality medical advice and information to support employees both during their absence and to facilitate a supported return to work at the earliest opportunity. We have, therefore, reviewed the specification for our Occupational Health provision with a view to establishing what improvements can be made to the service.

Following a tender process to facilitate the specification requirements we have changed Occupational Health provider from 01 September 2018 to PAM (People Asset Management). Furthermore, in addition to the confidential staff counselling service we

offer, we have the 'fast track' triage system to support employees with physical health issues (including the physiotherapy referral system) and mental health issues.

We have continued to develop the 'Support for Staff' section of our intranet which includes advice and support on a range of topics including personal support, work, available support groups within the trust, health and wellbeing, and personal and professional development as well as information on staff benefits.

More detailed information on sickness absence is given below:

| <b>Staff sickness absence</b> | <b>2018/19</b> | <b>2017/18</b> |
|-------------------------------|----------------|----------------|
| Total days lost               | <b>29,550</b>  | 28,485         |
| Total staff years             | <b>2,083</b>   | 2,204          |
| Average working days lost     | <b>14</b>      | 13             |

### 3.3.3 Supporting disabled employees



We continue to prepare for the introduction of the new Workforce Disability Equality Standard (WDES) and have commissioned Disability Sheffield to undertake an assessment with regard to achieving level three Disability Confident (Disability Confident Leader). We are currently on level two of the Disability Confident Employer scheme.

Our human resources staff have received a detailed briefing about the Disabled Staff Policy introduced in 2018/19, to support implementation across all services.

We have a policy of interviewing applicants who meet the minimum criteria score for posts. We employ an attendance case manager, part of whose role is to support services to support staff who become disabled.

We will start to publish Workforce Disability Equality Standard data in 2019 alongside a detailed action plan to support any gaps identified. Data is already available from the 2018 staff survey where three questions are included in the Workforce Disability Equality Standard metrics.

### 3.3.4 Staff engagement and involvement

The Trust has a range of methods for keeping staff informed on matters of concern to them as employees. These include

- A monthly letter from the Chief Executive
- Regular team briefings
- A weekly e-bulletin and regular updates on our staff intranet
- Bi-monthly Leadership Engagement Network
- A quarterly staff health and wellbeing newsletter
- Engagement with various groups of staff through regular forums on specific areas of concern.

Personal Development Reviews provide an opportunity for staff to discuss objectives, training needs with line managers, and we have achieved a 98% completion rate. While this is an excellent rate, work continues to focus on increasing the quality of the process, and further improvements have been made to support supervision.

### **Josh's story**

Josh is a ward manager on Stanage Ward, one of our adult acute inpatient psychiatric wards.

After leaving school Josh took a year out and then completed a nursing degree. During his student placement he loved working on our inpatient wards and came straight from university to work for us.

Four and a half years after graduating Josh became a deputy ward manager thanks to the training and development opportunities we offered him. Since then he has undertaken a post-graduate diploma and for the past three years he has been lecturing for one day a week with Sheffield Hallam University and our Recovery Education Unit.

Josh recently achieved promotion to ward manager and is particularly enjoying supporting staff with their learning and development. He continues to lecture as part of his own personal development and his commitment to developing other staff (both within the Trust and externally) in recovery focused treatment and care.

Support mechanisms for staff are already well established within the Trust which encourage staff to get involved with the Trust's performance and development. These include:

- Visits to teams from Non-Executive Directors and Executive Directors of the Board, including the Chief Executive
- Microsystems coaching (the quality improvement technique we use to drive service improvement)
- Crucial Conversations training (where leaders learn to tackle the difficult conversations which need to take place at work)
- Staff surveys on specific topics such as organisational change
- Our coaching service (we have more than 35 staff trained as coaches who are available for one-to-one coaching)
- Schwartz Rounds (a monthly forum where all staff are invited to come and think about the emotional and social dilemmas that arise in our work)
- Mindfulness and Mindful Leadership training
- Staff Conferences including 'Compassionate Care' and 'Working Together'.

This year we have committed to an additional initiative to strengthen staff engagement and support by introducing Listening into Action in 2019/20. We have continued to develop our mentoring support, including the established BME mentoring network and mentoring training programmes for staff.

As a Foundation Trust, all staff are automatically members of the Trust unless they specifically choose to opt out. We have eight dedicated Staff Governors who ensure that the voices and concerns of staff are represented at the Council of Governors.

### **3.3.5 Staff consultation**

We engage with Staff Side on a continuing basis. This includes the established mechanisms such as the Joint Consultative Forum, Joint Policy Group and, for medical staff, the Joint Local Negotiating Committee. In addition, there are specific arrangements put in place in relation to particular issues or topics and we are working closely with Staff Side to review our approach to organisational change.

This year we have continued to reconfigure and transfer services following tender processes and to make efficiencies. To mitigate the impact on staff we operate a redeployment process and we also launched one further round of our Mutually Agreed Resignation Scheme (MARS) which enables posts to be available, where practicable, for staff on redeployment. We operate the scheme in conjunction with Staff Side representatives through our MARS Vacancy Panel.

#### **Did you know?**

Many of our volunteers go on into paid work with us or other organisations, or into training. We held a special event in June 2018 to celebrate our amazing volunteers and we currently have 72 giving some of their time to the Trust each week.

### **3.3.6 Education, training and development**

We have a dedicated education, training and development department which commissions and delivers core mandatory, clinical skills and specialist training for our staff to ensure that they meet the essential training requirements for their roles. Our aim is to ensure we always have the staff with the right skills at the right time to provide high quality, safe care to our services users.

We have maintained excellent compliance with our entire essential core mandatory training subjects at 87% and above across all the 21 subjects at the end of 2018/19. We continually review all training courses to make sure they reflect changes and developments within the changing NHS and seek opportunities to work in conjunction with our partners across the South Yorkshire and Bassetlaw Integrated Care system.

Staff receive appropriate training, relevant to their post requirements. All staff receive an introduction to the organisation and core training (risk management, health and safety, equality and human rights, information governance, safeguarding, infection control etc.). More specific training is provided, dependent upon the individual's job role, and includes incident reporting and investigation, Mental Health Act, Mental Capacity Act, first aid and life support (including resuscitation), clinical risk assessment and management, medicines management and Respect (managing violence and aggression).

#### **Did you know?**

One of our nurse consultants, Jemma Babiker, became one of the first mental health nurses in Sheffield to gain the Advanced Physical Assessment and Consultation qualification. Jemma is now fully trained to carry out physical examinations with mental health service users.

This year we have seen an increase in the numbers and types of apprenticeships we offer. In 2018/19 we had 33 new apprenticeships which represented 1.13% of our headcount. All public sector organisations are monitored against the 2.3% annual apprenticeship targets. Although we were one of the top performing trusts in the Yorkshire and Humber region, we need to increase our number of new apprentices to at least 55 each year to meet our target.

Workforce transformation and new roles are a priority area and we have also used levy to develop the skills of existing staff. For 2019/20 we have 69 planned apprenticeship starts with a projected spend of £21,042 per month which is 67% of our available levy.

Our apprenticeships priorities are:

- to support recruitment and retention in areas such as nursing, estates, and pharmacy and respond to workforce shortages
- to support new role development – Trainee Assistant Practitioners (TAP), Trainee Nursing Associates (TNA) and plans for a Clinical Associate Psychologist (CAP)
- to continue our current apprenticeship placements in health and social care and business administration
- to focus on staff retention and career progression in estates management, digital analyst in IT and HR roles.

In November of 2018 we welcomed our first four Assistant Practitioners. We supported the Assistant Practitioners to complete an 18-month level 5 Diploma in healthcare practice while working as support workers at Woodland View Nursing Home. These Assistant Practitioners are now working at Band 4 and are highly skilled and knowledgeable in their new roles.

At the beginning of 2019 we introduced the new Nursing Associate Role. We are joined in partnership with other NHS trusts and the University of Sheffield to support the development of some of our support workers in to this new and exciting role. The trainee Nursing Associates will support the Registered Nurses in providing holistic care with a focus on physical health. This will ensure we have a greater skill mix within our clinical teams therefore ensuring better outcomes for our service users' mental and physical health.

### **Sophie's story**

Sophie began a business and administration apprenticeship with us when she left school. She wanted to gain a qualification and develop her skills while working.

Her apprenticeship took place in the site services team at our Headquarters and she was responsible for meeting and greeting visitors as well as managing emails, diary and telephone systems. She also helped to organise events on site.

Following successfully completing her apprenticeship, Sophie moved to Sheffield Children's Hospital NHS Foundation Trust and worked in the genetics department for a year before returning to us. Sophie is now employed as a full time member of the Contracting Team.



The Registered Nurse Degree Apprenticeship programme with the Open University was introduced in 2017. We are now supporting five staff to achieve their BSc Mental Health Nurse qualification through the apprenticeship and are actively recruiting a further two apprentices to commence training in September 2019.

Staff who are keen to progress in their careers but do not have the required entry qualifications in Maths and English can access free courses delivered in partnership with Sheffield Colleges.

Over the past year we have introduced a more streamlined recruitment process for newly qualified nurses who have been on student placement with us. This, along with a more robust preceptorship offer, has seen an increase in expressions of interest from students wishing to work for us on qualification.

### **Did you know?**

We are committed to apprenticeships as a route into employment. In addition to our core programmes in health and social care and business administration we now have a number of degree level routes for an IT Digital Analyst and Estates Technical Officer.

The Recovery Education Unit continues to offer a wide portfolio of learning opportunities for staff within the Yorkshire and Humber region. The team, which draws on both academic and expertise of lived experience, continues to host three-day workshops including the ever-popular Maastricht course and solution focus workshops. Their five-day courses which include both family and recovery-based practice skills remain in high demand and continue to be fully subscribed. Developments have also been made to allow staff to access learning online with a mental health awareness course and a comprehensive recovery values practice course which is now operational.

This year, the Recovery Education Unit successfully completed the re-validation process of its post graduate programme. It has also focused on the consolidation and implementation of existing and new modules now taught within the programme. It has been a whole team effort that reflects the priorities of the students, service users and the health sector. With the revalidated course being designed to be future proof, it allows changes to be accommodated to ensure it is always covering new developments in different spheres of health policy. As a result of this, the Recovery Education Unit is able to ensure that the material presented is always innovative, relevant and developing the skill sets required to ensure staff in the Yorkshire and Humber region are forward thinking and prepared to take on more challenging roles.

The Recovery Education Unit has also been successful in a tender to Health Education England to deliver two five-day family work courses for people working in national early intervention teams. These teams were required to undertake the training before the end of March 2019 as part of the Department of health 'Achieving Better Access to Mental Health Services' (2014) strategy and also ensuring all early intervention staff are skilled within the provision of family-based interventions. To date, this training has evaluated positively. In addition, the team have also devised and successfully piloted a two-day supervision course to complement this training and give staff the skills to supervise others in this area.



The Cognitive Behavioural Psychotherapy Training Department continues to be accredited with the British Association for Behavioural and Cognitive Psychotherapies at level 2 which denotes the high standard of the provision and ensures that on successful completion of the Post Graduate Diploma in Cognitive Behavioural Psychotherapy, graduates can be accredited with the BABCP. The course is experiencing a record number of applicants who want to train to become Cognitive Behavioural Psychotherapists. There is a 100% graduate employment rate with many students being offered Cognitive Behavioural Psychotherapy posts prior to completion.

The department also delivers an online introduction to Cognitive Behavioural Therapy for health staff as well as the University Advanced Certificate in Acceptance and Mindfulness Approaches module and Developments in Acceptance and Mindfulness module. These modules continue to be extremely popular with staff and are also experiencing record applications.

The department has plans to host a two-day workshop by an internationally recognised researcher and clinician Dr Fiona Kennedy focusing on working with disassociation. Research and development have continued to be a focus in the department with the recent publication of a research article in the clinical press and by the department's involvement in the updating of the BABCP national curriculum for Cognitive Behavioural Psychotherapy. The clinical lectures in the department have all recently been awarded Visiting Fellow status at Sheffield Hallam University cementing our links with our partnership organisation.

### **Jess's story**

Jess joined us as a health and social care apprentice. She had always been interested in nursing and had a preference for 'on the job' learning. The health and social care apprenticeship suited her perfectly allowing her to learn while working.

Jess was responsible for supporting people experiencing mental ill health, providing a sympathetic listening ear and helping with practical tasks. Her mentor supported her throughout and helped her grow in confidence while offering advice and guidance. Jess loved the fact that every day was different and had its own set of unique experiences.

Following successfully completing her apprenticeship, Jess gained a full time job as a support worker with us. Two years later she applied for a new Nursing Degree Apprenticeship we offer to support staff. She is now studying with the Open University and undertaking various placements across our clinical services. Jess's goal is to qualify as a registered mental health nurse.

We have a well-established relationship with the University of Sheffield Medical School, leading on teaching in psychiatry to undergraduate medical students across the five year course (240 students per year – increasing to 310 over the next three years) and as the lead organisation for clinical placements in the region. This year we are also providing placements for approximately 40 Physician Associates in conjunction with the University of Sheffield and Sheffield Hallam University.

Additionally, we run several recruitment initiatives to encourage students and doctors to consider psychiatry as a career and offer selected student-selected components,

Masterclasses and electives to interested students from Sheffield and beyond. We have two undergraduate Clinical Tutors, a Patient Ambassador with lived experience and a Nurse Educator to support the development and improvement of undergraduate medical and physician associate education. We have a number of volunteer service users providing support to medical and physician associate students

We have recruited six undergraduate Consultant or SAS Medical Placement Leads from across the breadth of the Trust to ensure students get a broad and supported learning experience on placement. Many trainees are involved in supporting medical education projects. We have actively supported a curriculum review process in the Medical School to enhance students exposure to mental health, social accountability and psychiatry themes.

The quality visit undertaken by the University of Sheffield in relation to our lead role in both Sheffield and regionally commended the team on 'the range of activities offered across the MBChB course' and said that there were 'good, thriving groups, which helped to raise the profile of psychiatry in South Yorkshire.'

### **Listening and responding**

A service user gave us some really positive feedback about our Short Term Educational Programme - STEP – but also said the venue was just too hot - so we have taken steps to sort it out!

We are a lead employer for the postgraduate psychiatry training scheme in South Yorkshire and have a dedicated team to ensure a high quality and varied training experience. We have 13 foundation posts, 14 core posts and 14 higher training posts (in old age, general adult and specialist areas).

Psychiatry is considered a hard to fill training specialty and we have recruited six Clinical Fellows on fixed term contracts over the last year to be able to overcome the challenges of low recruitment. They are being supported to develop skills in psychiatry and three have now joined the training scheme. We have also recruited two qualified Physician Associates with a further two joining us in 2019 to support the care of patients in our inpatient wards. Educational input for them is being provided by colleagues in the Medical Education Department. We are also supporting the educational needs of Advanced Clinical Practitioners as part of workforce development initiatives.

We have a robust teaching programme which includes regular Continuing Professional Development sessions and we also hold teaching and events hosted by service users. We offer varied special interest opportunities in medical education (including medical student teaching) and research/quality improvement. At a recent Health Education England quality visit, foundation and core trainees reported feeling well supported with sufficient learning opportunities.

Following the publication of 'Supported and Valued' by the Royal College of Psychiatrists, we host a quarterly Enhanced Junior Doctor Forum led by higher trainees to improve communication between trainees and senior management.

We work closely with the University of Leeds to deliver the Core Psychiatry Training

Course to help prepare core trainees for college exams and life as a higher trainee. We host guest lecturers and use videoconferencing facilities to take advantage of clinical expertise in the region.

We have recruited a 'Less than Full Time Work' champion who is supporting the increasing number of doctors who choose to train part time.

We have recently been successful in getting funding to develop a project around supporting people returning to training or for whom training is challenging. This will include support for doctors returning after sick or parental leave, working less than full time and addressing the issues around international medical graduates.

### **Listening and responding**

People using our eating disorders service described the stress they feel on a Tuesday morning weigh-in session. Staff are now always available for them to talk to individually for reassurance and support.

### **3.3.7 Health and safety**

We place a strong focus on health, safety and wellbeing. We aim to maintain an environment and practices which are safe and supportive for service users, staff and visitors.

The Trust has a well-established Health and Safety Group comprising management and Staff Side representatives, which is chaired by an Executive Director. The role of the group is to monitor and maintain effective health and safety management systems that are proportionate to the level of risk to be managed and ensure compliance with legislation, regulations and codes of practice.

The Health and Safety Executive (HSE) visited a number of our services as part of their national programme, visiting 20 healthcare providers across the country to examine the management arrangements for violence and aggression and manual handling (musculoskeletal disorders). The feedback from the HSE has focused on three main areas: environmental risk assessments, back care training and support for staff and the servicing and maintenance of equipment. We are working hard to address these issues.

### **3.3.8 Occupational health**

Our approach to occupational health involves the following strands:

- Occupational Health Service – following a tender process we changed Occupational Health provider from 01 September 2018 to PAM (People Asset Management) which also includes Level 1 and 2 of the Psychological Stepped Care Model
- Workplace Wellbeing – this is our own free, confidential staff counselling and consultation service which is available to both individuals and groups of staff
- health and wellbeing – we provide a dedicated page on our staff intranet which helps direct staff to a range of useful local, regional and national resources and tools to assist with promoting a healthy and active lifestyle
- training – we provide specific training on key health related areas such as back care, manual handling, stress awareness and dealing with conflict
- specific projects – this encompasses both regular initiatives such as the annual staff flu vaccination campaign as well as special initiatives such as going completely

smoke free across all sites (which took place on 31 May 2016) and the implementation of the Public Health Responsibility Deal.

### **3.3.9 Countering Fraud, Bribery and Corruption**

The Director of Finance is responsible for ensuring compliance with the NHS Counter Fraud Authority strategy for countering fraud, bribery and corruption and the application of the related NHS Counter Fraud Authority Standards for Providers. Our Counter Fraud Service is provided by 360 Assurance and the Local Counter Fraud Specialist attends meetings of the Audit Committee to provide updates on progress against the annual work plan and compliance with Standards for Providers in the following areas:

- Strategic Governance
- Inform and Involve
- Prevent and Deter
- Hold to Account

Staff are trained in fraud awareness and we actively promote the mechanisms for staff to report any concerns. All concerns of fraud, bribery and corruption at the Trust are referred to the Local Counter Fraud Specialist and addressed in accordance with the Trust's Fraud, Bribery and Corruption Policy. The Local Counter Fraud Specialist reports annually on all work undertaken, including the outcome of investigations.

#### **Jo's story**

Jo is the ward manager of G1, a specialist dementia inpatient ward for people with complex and challenging needs.

Jo trained as a mental health nurse in Sheffield after starting work as a nursing assistant at the old Middlewood Hospital.

Jo left nursing in the mid-1990s to raise her young family and returned to work for us as a support worker in 2007.

Jo was encouraged by one of our senior nurses to complete a Return to Practice course and has since worked in a variety of roles across the older adult mental health services. After three years as a staff nurse, Jo was encouraged to apply for a Band 6 post and two years later was successfully appointed to the ward manager post on G1.

Jo leads a large multi-disciplinary team and is passionate about supporting people with dementia to live as fulfilling a life as possible. Jo is currently being supported to undertake a national NHS Leadership in Care course.

### **3.3.10 Staff survey**

The national staff survey is carried out annually on behalf of all trusts. At a local level the survey itself is conducted independently by an approved sub-contractor and the results are then collated and benchmarked at national level.

From 2018 onwards, the results from questions are grouped to give scores in ten indicators. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those. The response rate to the 2018 survey

among trust staff was 36% (2017: 35%). Scores for each indicator together with that of the survey benchmarking group (*Mental health / Learning Disability*) are presented below

|  | 2018/19    |                 | 2017/18    |                 | 2016/17    |                 |
|--|------------|-----------------|------------|-----------------|------------|-----------------|
|  | Trust      | Benchmark group | Trust      | Benchmark group | Trust      | Benchmark group |
| Equality, diversity and inclusion          | <b>9.2</b> | 9.0             | <b>8.8</b> | 9.0             | <b>9.0</b> | 8.8             |
| Health and wellbeing                       | <b>5.8</b> | 6.2             | <b>5.7</b> | 6.2             | <b>6.2</b> | 6.1             |
| Immediate manager                          | <b>7.2</b> | 7.2             | <b>7.0</b> | 7.2             | <b>6.8</b> | 7.1             |
| Morale                                     | <b>6.0</b> | 6.2             | <b>N/A</b> | N/A             | <b>N/A</b> | N/A             |
| Quality of appraisals                      | <b>5.1</b> | 5.7             | <b>4.9</b> | 5.5             | <b>4.7</b> | 5.5             |
| Quality of care                            | <b>6.6</b> | 7.3             | <b>6.8</b> | 7.3             | <b>7.2</b> | 7.4             |
| Safe environment – bullying and harassment | <b>7.9</b> | 7.9             | <b>7.9</b> | 8.0             | <b>7.9</b> | 8.0             |
| Safe environment – violence                | <b>9.3</b> | 9.3             | <b>9.1</b> | 9.2             | <b>9.0</b> | 9.2             |
| Safety culture                             | <b>6.2</b> | 6.7             | <b>6.3</b> | 6.7             | <b>6.5</b> | 6.6             |
| Staff engagement                           | <b>6.7</b> | 7.0             | <b>6.6</b> | 7.0             | <b>6.9</b> | 6.9             |

Our benchmark report is available on line at [https://www.nhsstaffsurveys.com/Caches/Files/NHS\\_staff\\_survey\\_2018\\_TAH\\_full.pdf](https://www.nhsstaffsurveys.com/Caches/Files/NHS_staff_survey_2018_TAH_full.pdf) .

The low response rate is similar to 2017 and we aim to take action to improve this in 2019. The area of most improvement in 2018 is the immediate manager theme where the improvement is statistically significant from 2017, for all other themes improvements are not statistically significant, although there have not been any statistically significant deteriorations (see page 163 of the benchmark report for further details).

Compared to the Mental Health / Learning Disability benchmark group average our score is above the benchmark average for one theme (equality, diversity and inclusion), in line with the average for three themes (immediate manager, safe environment – bullying and harassment and safe environment – violence) and below the average for the other six themes.

This year we have agreed two significant actions. These are to introduce Listening into Action and to appoint a Director of Organisational Development. We want a culture where everyone feels respected, engaged, heard and valued. We are also developing a more cohesive approach to identifying areas of good practice and which, if shared with other areas, will support improvements.

### Did you know?

We began a pilot of body worn cameras on two of our adult acute inpatient wards. The pilot runs until June 2019 and, if successful, the use of body worn cameras will be rolled out to all our inpatient wards.

Key areas of action that aim to support improvement are:

- the introduction of Listening into Action in 2019/20
- the implementation of a Health and Wellbeing action plan - the success of this will partly be measured through 2019 survey results.
- hold our first staff Health and Wellbeing conference
- appoint a Director for Organisational Development
- focused action on the quality of appraisals.

### 3.3.11 Trade Union Facility Time

Facility time is paid time-off during working hours for trade union representatives to carry out trade union duties.

All public-sector organisations that employ more than 49 full-time employees are required to submit data relating to the use of facility time in their organisation. The data below relates to the period 01 April 2017 to 31 March 2018 – this is known as the relevant period.

#### Relevant Union Officials

|   |    |
|---|----|
| <b>Number of employees who were relevant union officials during the relevant period</b> | 19 |
| <b>Full-time equivalent employee number</b>   | 19 |

#### Percentage of time spent on facility time

Number of employees who were relevant union officials employed during the relevant period who spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time.

| <b>Percentage of time</b> | <b>Number of employees</b> |
|---------------------------|----------------------------|
| 0%                        | 5                          |
| 1%-50%                    | 10                         |
| 51%-99%                   | 4                          |
| 100%                      | 0                          |

#### Percentage of pay bill spent on facility time

|  |             |
|--|-------------|
| <b>Total cost of facility time</b>                             | £102,366    |
| <b>Total pay bill</b>  | £86,869,000 |
| <b>Percentage of the total pay bill spent on facility time</b> | 0.12%       |

#### Paid trade union activities

The number of hours spent by employees who were relevant union officials during the relevant period on paid trade union activities as a percentage of total paid facility time hours.

|   |        |
|---|--------|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | 12.65% |
|---|--------|

### 3.3.12 Expenditure on consultancy

In 2018/19 we spent £263,000 on consultancy. This largely relates to Information Management Systems and Technology (IMST) and systems development.

### 3.3.13 Off-payroll engagements

As part of the Review of Tax arrangements of Public Section Appointees published by the Chief Secretary of the Treasury on 23 May 2012, NHS Foundation Trusts are required to present data in respect of off-payroll arrangements.

**Table 1: For all off-payroll engagements as of 31 March 2019, for more than £220 per day and that last for longer than six months**

|  |          |
|--|----------|
| <b>Number of existing engagements as of 31 March 2019</b>                  | <b>2</b> |
| Of which:  |          |
| Number that have existed for less than one year at time of reporting       | 1        |
| Number that have existed between one and two years at time of reporting    | 0        |
| Number that have existed between two and three years at time of reporting  | 1        |
| Number that have existed between three and four years at time of reporting | 0        |
| Number that have existed for four or more years at time of reporting       | 0        |

All existing off-payroll engagements, as outlined above, have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

**Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 01 April 2018 and 31 March 2019, for more than £220 per day and that last longer than six months.**

|   |   |
|---|---|
| Number of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019   | 1 |
| Number of the above which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations | 0 |
| Number for whom assurance has been requested  | 1 |
| Of which:   |   |
| Number for whom assurance has been received   | 0 |
| Number for whom assurance has not been received   | 0 |
| Number that have been terminated as a result of assurance not being received  | 0 |



**Table 3: For any off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 01 April 2018 and 31 March 2019.**

|  |          |
|--|----------|
| Number of off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, during the financial year  | <b>0</b> |
| Number of individuals that have been deemed 'Board members, and/or, senior officials with significant financial responsibility', during the financial year. This figures should include both off-payroll and on-payroll engagements. | <b>5</b> |

### 3.3.14 Exit packages

#### Staff exit packages

The table below summarises the total number of exit packages agreed during the year. Included within these are compulsory redundancies and other schemes including MARS (Mutually Agreed Resignation Scheme) applications. The note shows packages agreed in year, irrespective of the actual date of accrual or payment.

| Exit package cost band                       | Number of compulsory redundancies |            | Number of other departures agreed |            | Total number of exit packages by cost band |            |
|--|-----------------------------------|------------|-----------------------------------|------------|--|------------|
|  | 2018/19                           | 2017/18    | 2018/19                           | 2017/18    | 2018/19                                    | 2017/18    |
| <£10,000                                     | 0                                 | 1          | 0                                 | 13         | 0  | 14         |
| £10,000-£25,000                              | 1                                 | 2          | 0                                 | 6          | 1  | 8          |
| £25,001-£50,000                              | 4                                 | 3          | 0                                 | 1          | 4  | 4          |
| £50,001-£100,000                             | 0                                 | 2          | 0                                 | 0          | 0  | 2          |
| £100,001-£150,000                            | 2                                 | 0          | 0                                 | 0          | 2  | 0          |
| <b>Total number of exit packages by type</b> | <b>7</b>                          | <b>8</b>   | <b>0</b>                          | <b>20</b>  | <b>7</b>                                   | <b>28</b>  |
| <b>Total resource cost £000s</b>             | <b>367</b>                        | <b>294</b> | <b>0</b>                          | <b>192</b> | <b>367</b>                                 | <b>486</b> |

#### Analysis of non-compulsory departure payments

The table below discloses non-compulsory departures and values of associated payments by individual type. The note shows packages agreed in year, irrespective of the actual date of accrual or payment. As a single exit package can be made up of several components, each of which will be counted separately in this note, the total number above will not necessarily match the total numbers in exit packages noted above which will be the number of individuals.

|   | Number of agreements |         | Total Value of agreements £000 |         |
|---|----------------------|---------|--------------------------------|---------|
|   | 2018/19              | 2017/18 | 2018/19                        | 2017/18 |
| Voluntary redundancies including early retirement contractual costs | 0                    | 0       | 0                              | 0       |
| Mutually agreed resignations (MARS) contractual costs               | 0                    | 11      | 0                              | 159     |



|  |          |           |          |            |
|--|----------|-----------|----------|------------|
| Early retirement in the efficiency of the service contractual costs  | 0        | 0         | 0        | 0          |
| Contractual payments in lieu of notice   | 0        | 9         | 0        | 33         |
| Exit payments following Employment Tribunals or Court orders   | 0        | 0         | 0        | 0          |
| Non-contractual payments requiring HMT* approval   | 0        | 0         | 0        | 0          |
| <b>Total</b>   | <b>0</b> | <b>20</b> | <b>0</b> | <b>192</b> |
| Of which: non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary | 0        | 0         | 0        | 0          |

\* Includes any non-contractual severance payment following judicial mediation, and amounts relating to non-contractual payments in lieu of notice. The Remuneration Report provides details of exit payments payable to individuals named in that report.

### **3.4 Code of Governance Disclosures**

#### **Our commitment to good governance**

The Board of Directors recognises the importance of the principles of good corporate governance and is committed to improving the standards of corporate governance followed by all those who play a part in the conduct of the Trust's business.

The Board recognises that the purpose of the NHS Foundation Trust Code of Governance (the Code) (which is published by NHS Improvement, the independent Regulator of NHS Foundation Trusts) is to assist NHS Foundation Trust Boards and their Governors to improve their governance practices by bringing together the best practices from the public and private sectors.

Sheffield Health and Social Care NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a 'comply or explain' basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Code issues in 2012.

#### **Application of the main and supporting principles of the Code of Governance**

The Board implements the main and supporting principles of the Code through a number of key governance documents, policies and procedures, including:

- the Trust's Constitution
- the Standing Orders of the Board of Directors and the Council of Governors
- the Scheme of Reservation and Delegation of Powers of the Board of Directors
- the Standing Financial Instructions
- the Annual Governance Statement
- Codes of Conduct and Standards of Business Conduct
- the Annual Plan and the Annual Report
- authority structures and terms of reference for the Committees of the Board of Directors and Council of Governors.

#### **Compliance with the provisions of the Code**

In 2018/19 the Trust complied with all relevant requirements of the Code with the exception of one provision.

In relation to provision B.7.4 relating to the terms of office of Non-Executive Directors, a comprehensive review of the Trust's constitution was undertaken and it was agreed by the Board of Directors and Council of Governors that terms of office of four years, rather than three stated in the Code, would provide a greater degree of stability and continuity without compromising independence.

#### **Disclosure of corporate governance arrangements**

In accordance with the disclosure requirements of the Code, the Board of Directors makes the following disclosures:

- A.1.1 Statements on how the Board of Directors and the Council of Governors operate, including high level statements of which types of decisions are to be taken by each one of them and which are to be delegated to the management by the Board of Directors, are contained in Sections 3.1.7 and 3.1.28 of this report. A statement describing how any disagreements between the Council of Governors and the Board of Directors will be resolved is contained in Section 3.1.28.

A.1.2 The names of the Chair, the Vice-Chair, the Chief Executive, the Senior Independent Director, Chairs and members of the Board of Directors' Remunerations and Nominations Committee, the Council of Governors' Nominations and Remuneration Committee and the Audit Committee are contained in Sections 3.1.2, 3.1.3, 3.1.10 and 3.1.28 of this report. The number of meetings of the Board of Directors, its Committees and the attendance by individual Directors are shown in Sections 3.1.8 and 3.1.10 of this report.

A.5.3 The names of the Governors, details of their constituencies, whether they are elected or appointed, the duration of their appointment and details of the nominated Lead Governor are contained in Section 3.1.28. of this report. The number of meetings of the Council of Governors and the individual attendance by Governors and Directors is also contained in Section 3.1.28.

B.1.1 The Board considers the following Non-Executive Directors to be independent in character and judgement:

- I. Jayne Brown OBE (Chair)
- II. Ann Stanley
- III. Richard Mills
- IV. Councillor Olivia Blake
- V. Sandie Keene CBE
- VI. Professor Laura Serrant OBE.

The Board holds this view in relation to all of the above-mentioned Directors for the following reasons:

None of them is employed by the Trust or has been in the last five years;

None of them has, or has had, within the last three years, a material business relationship with the Trust, either directly or as a partner, shareholder, Director or senior employee of a body that has such a relationship with the Trust;

None of them has received or receives additional remuneration from the Trust apart from their Director's fee. They do not participate in any performance-related pay as no such scheme is run by the Trust nor are they a member of the Trust's pension scheme;

None of them has close family ties with any of the Trust's advisers, Directors or senior employees;

None of them holds cross-directorships or has significant links with other Directors through involvement (with those other Directors) in other companies or bodies;

None of them is a member of the Council of Governors;

None of them has served on the Board of this NHS Foundation Trust for more than 10 years.

B.1.4 Contained in Sections 3.1.11 and 3.1.13 of this report is a description of each Director's expertise and experience and a statement on the Board of Directors' balance, completeness and appropriateness. In addition, it also contains

information about the length of appointments of the Non-Executive Directors. Information about how Non-Executive Director appointments may be terminated is contained in Section 3.1.28.

- B.2.10 An explanation of the work of the Remuneration and Nomination Committee which oversees the appointment process of executive members of the Board can be found in Section 3.1.10 of this report. The work of the Nominations and Remunerations Committee of the Council of Governors, including the process it used in relation to Board appointments, together with an explanation of whether a search consultancy was used in the appointment of the Chair or the Non-Executive Directors, is contained in Section 3.1.28 of this report.
- B.3.1 The Trust Chair's other significant commitments and any changes to them during the year are contained in the Directors' Register of Interests referred to in Section 3.1.12 of this report.
- B.5.6 A statement about how the Governors have canvassed the opinion of the Trust's members and the public, and for appointed Governors the body they represent, on the Trust's forward plan, including its objectives, priorities and strategy, and how their views were communicated to the Board of Directors is contained in Section 3.1.28.4.2 of this report.
- B.6.1 A statement on how the performance of the Board, its Committees and individual Directors was evaluated is contained in Section 3.1.13 of this report.
- B.6.2 Relating to external evaluation of the Trust Board and governance of the Trust, a number of activities have taken place.

A Care Quality Commission (CQC) Well-led inspection took place in July 2018 in which the Trust was assessed as "requires improvement". A comprehensive action plan led by clinical operations has ensured that all actions have been addressed. The CQC undertook an inspection of the Trust's respite services at Wainwright Crescent which were rated as "good".

In addition during 2018/19 360 Assurance, the Trust's internal auditors conducted a number of governance reviews including annual business planning and performance management. Following each review detailed action plans have been completed and monitored by relevant committees and the Trust Board.

- C.1.1 An explanation from the Directors of their responsibility for preparing the accounts and a statement by the auditors about their reporting responsibilities is contained in Sections 3.1.4 and 3.6 of this report and the approach taken to quality governance is detailed in the Governance Statement (Section 3.7).
- C.2.1 A report that the Board has conducted a review of the effectiveness of the Trust's system of internal controls is contained in Section 3.1.10 of this report.
- C.2.2 The Trust has an Internal Audit function. Information on how the function is structured and what role it performs is included in Section 3.1.10 of this report.

- C.3.5 The Council of Governors has not refused to accept the recommendation of the Audit Committee on the appointment or re-appointment of an external auditor, and this matter is therefore not reported on.
- C.3.9 An explanation of the work of the Audit Committee can be found in Section 3.1.10 which includes any significant statements the committee considered in relation to financial statements, operations and compliance and how these issues were addressed, an explanation of how it has assessed the effectiveness of the Trust's external audit process and details of the Trust's external audit contract, as well as information about any non-audit work that may have been commissioned.
- E.1.4 Members who wish to communicate with Governors or Directors may do so via the Trust's website where contact details are clearly stated or by contacting the Deputy Board Secretary.
- E.1.5 Board members and in particular Non-Executive Directors develop an understanding of the views of Governors and Members through their attendance at meetings of the Council of Governors and through the informal meeting between Non-Executive Directors and governors which take place prior to each Council meeting. They are further informed of the activities of the Council of Governors at monthly Trust Board meetings as updates on the affairs of the Council of Governors and the Trust's Members are a standing item on the Board's agenda. Board members are appraised of members' opinions at the Annual Members' Meeting where views are canvassed. Further details on how the Board canvass the views of Governors and Members can be found in Sections 3.1.28 of this report.
- E.1.6 The Board monitors membership and engagement monthly through its performance management processes. Information on monitoring how representative the Trust's membership is and the level and effectiveness of member engagement is contained in Section 3.1.28 of this report.

Detailed information regarding the Trust's membership constituencies and their eligibility, membership numbers, the Membership Strategy and steps taken in year to ensure a representative membership are detailed in Section 3.1.28.

The Council of Governors has not exercised their power under paragraph 10c of Schedule 7 of the NHS Act 2006, and this matter is therefore not reported on.

A statement from the Directors that the business is a going concern, together with supporting assumptions or qualifications as necessary, is contained in Section 2.1 of this report.

### **3.5 NHS Improvement's Single Oversight Framework**

#### *Single Oversight Framework*

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

- quality of care
- finance and use of resources

- operational performance
- strategic change
- leadership and improvement capability (well-led).

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

### Segmentation

NHS Improvement has reviewed the trust's performance and information available to it and placed the Trust in Segment 2. This segmentation information is the Trust's position as at March 2019. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

### Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the trust disclosed above might not be the same as the overall finance score here.

| Area                     | Metric                       | 2018/19 scores |    |    |    | 2017/18 scores |    |    |    |
|--------------------------|------------------------------|----------------|----|----|----|----------------|----|----|----|
|                          |                              | Q4             | Q3 | Q2 | Q1 | Q4             | Q3 | Q2 | Q1 |
| Financial sustainability | Capital service capacity     | 1              | 1  | 1  | 1  | 1              | 1  | 1  | 2  |
|                          | Liquidity                    | 1              | 1  | 1  | 1  | 1              | 1  | 1  | 1  |
| Financial efficiency     | I&E margin                   | 1              | 1  | 1  | 1  | 1              | 1  | 1  | 2  |
| Financial controls       | Distance from financial plan | 1              | 1  | 1  | 1  | 1              | 1  | 1  | 1  |
|                          | Agency spend                 | 2              | 2  | 2  | 2  | 1              | 1  | 1  | 1  |
| <b>Overall scoring</b>   |                              | 1              | 1  | 1  | 1  | 1              | 1  | 1  | 1  |

### 3.6 Statement of the Chief Executive's responsibilities as the Accounting Officer of Sheffield Health and Social Care NHS Foundation Trust

The NHS Act 2006 states that the chief executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the *NHS Foundation Trust Accounting Officer Memorandum* issued by NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Sheffield Health and Social Care NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Sheffield Health and

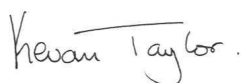
Social Care NHS Foundation Trust, and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the accounting officer is required to comply with the requirements of the Department of Health and Social Care Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* (and the *Department of Health and Social Care Group Accounting Manual*) have been followed, and disclose and explain any material departures in the financial statements
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy and
- prepare the financial statements on a going concern basis.

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

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the *NHS Foundation Trust Accounting Officer Memorandum*.



Kevan Taylor  
Chief Executive  
24 May 2019

### **3.6 Statement of the Chief Executive's responsibilities as the Accounting Officer of Sheffield Health and Social Care NHS Foundation Trust**

The NHS Act 2006 states that the chief executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the *NHS Foundation Trust Accounting Officer Memorandum* issued by NHS Improvement.

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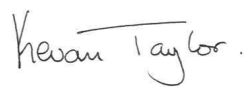
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- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* (and the *Department of Health and Social Care Group Accounting Manual*) have been followed, and disclose and explain any material departures in the financial statements
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy and
- prepare the financial statements on a going concern basis.

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



To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the *NHS Foundation Trust Accounting Officer Memorandum*.

A handwritten signature in black ink that reads "Kevan Taylor." The signature is written in a cursive style with a horizontal line above the name.

Kevan Taylor  
Chief Executive  
24 May 2019

### **3.7 Annual Governance Statement**

#### **1. Scope of Responsibility**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Foundation 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 Foundation 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 Foundation Trust Accounting Officer Memorandum*.

#### **2. 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 on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Sheffield Health and Social Care NHS Foundation 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 Sheffield Health and Social Care NHS Foundation Trust for the year ended 31 March 2019 and up to the date of approval of the Annual Report and Accounts.

#### **3. Capacity to Handle Risk**

##### **3.1 Risk Management Leadership and Structure**

I am ultimately responsible and accountable for the Trust's provision of safe services and for ensuring that the systems on which the Board of Directors relies to govern the organisation are effective. I am supported in these duties by:

- The Deputy Chief Executive/Executive Director of Operations, who is responsible for safe delivery of operational service and is the Caldicott Guardian;
- The Executive Director of Nursing and Professions, who is responsible for the management of risk across these portfolios;
- The Executive Medical Director, who is responsible for clinical governance, clinical risk management, care standards, clinical effectiveness, service user experience and medical practice and medical advice on risk and safety issues;
- The Executive Director of Finance who is responsible for managing financial risk and who is also the Senior Information Risk Owner (SIRO) and has responsibility for information governance and performance management;
- The Associate Director of Human Resources, who is responsible for health and safety, training and risk management associated with the Trust's employment processes;
- The Director of Corporate Governance (Board Secretary), who is responsible for the management of the Corporate Risk Register and the Board Assurance Framework.

The Trust's Corporate and Clinical Governance Teams provide leadership, support, guidance and advice for all matters relating to risk management and corporate and clinical governance. Specific roles and responsibilities for risk management are detailed within the Trust's Risk Management Strategy, and include:

- All Directors are operationally responsible for safety and the effective management of risk within their areas of responsibility;
- All managers, including team managers/leaders and heads of departments, are responsible for health and safety and the effective management of risks within their teams, services or departments;
- All Trust staff, including those on temporary contracts, placements or secondments, and contractors must keep themselves and others safe. All staff have a duty of care to provide safe services and do no harm. All health and social care staff working directly with service users and carers are responsible for ensuring that their work is safe and that they use systematic clinical risk assessment and management processes in the delivery of care and treatment.

### **3.2 Staff Training and Development**

Staff training and development needs with regard to risk management and safety are described in the Trust's Mandatory Training Policy. Staff receive appropriate training, relevant to their post requirements. All staff receive an introduction to the organisation and core training (risk management, health and safety, equality and human rights, information governance, safeguarding, infection control etc). More specific training is provided, dependent upon the individual's job role, and includes incident reporting and investigation, Mental Health Act, Mental Capacity Act, first aid and life support (including resuscitation), clinical risk assessment and management, medicines management and Respect (managing violence and aggression).

The Trust is achieving its target level of 80% for all mandatory training subjects and has an overall achievement level of 90%. However, monitoring remains in place to ensure consistent achievement of mandatory training.

The training provided is regularly reviewed to incorporate learning from good practice, lessons learnt as well as ensuring legislative and policy changes are incorporated. A variety of delivery methods are incorporated into the mandatory training programme to enhance delivery and learning, with a real focus on the application of learning into practice.

The Trust employs a range of suitably qualified and experienced personnel who are accessible to all staff to advise on risk issues, such as clinical risk, infection control, risk assessment, health and safety, litigation, liability, fire and security, environmental, estate management, medicines management, safeguarding, human resources, data protection, corporate, information governance and financial.

Development sessions for the Board of Directors during 2018/19 have included the preparation of the learning and monitoring progress against action plans following a Care Quality Commission (CQC) Well-Led inspection, developing the Trust's strategy and agreeing its priorities for the Trust's Annual Plan for 2019/20, reviewing the Trust's transformation agenda in relation to its Acute Care Reconfiguration, new Secure Care Models, the national Transforming Care agenda and a city-wide dementia strategy. It has also critiqued and refreshed the Board Assurance Framework and the Trust's risk appetite.

### **3.3 Learning from Good Practice**

The Trust uses a variety of mechanisms for ensuring that good practice and lessons learned are shared across the services. These include:

- Quality Assurance Committee reports;
- Quality Improvement Forum;
- Clinical audit and clinical effectiveness reports;
- Serious incident briefings;
- Compliment and complaint reports;
- Team/Care Network governance reports and events;
- Inpatient Forum;
- Service based development forums;
- Service User Safety Group;
- Schwartz Rounds;
- Service User Engagement Group.

## **4.0 The Risk and Control Framework**

### **4.1 Risk Management Strategy**

The Trust recognises that positive and managed risk taking is essential for growth, development and innovation. Risks are not seen as barriers to change and improvement; instead they are recognised, considered and managed effectively as part of service improvements. The Trust's Risk Management Strategy was revised in 2017 and refreshed in 2018/19 and describes the Trust's strategic approach to safety and risk management; it also sets out the Trust's structure and governance arrangements, together with defining levels of authority, accountability, responsibility and escalation for risk management.

All risks are assessed using a stepped approach which identifies and analyses the risk, identifies the control measures in place and how effective these are and the actions that need to be taken to reduce/mitigate/remove the risk. Risks are graded according to their severity and likelihood of recurrence, using a 5 x 5 risk grading matrix based upon guidance produced by the former National Patient Safety Agency.

High level risks rated 12 or above as well as risks which affect more than one directorate or care network are entered onto the Corporate Risk Register. Risks are recorded on an electronic risk management database (Ulysses Risk Management System), which is separated into teams, departments and directorates/care networks. All recorded risks have an accountable individual and are reviewed and monitored by the appropriate operational governance group. Risk registers are held at corporate, directorate/care network and team level. Each directorate/care network has a risk register lead responsible for managing and maintaining their risk register. The Corporate Risk Register is administered by the Director of Corporate Governance (Board Secretary).

Risks on the Corporate Risk Register are reported to the Executive Director's Group every month. The Corporate Risk Register is reviewed and reported to the Board and its committees on a quarterly basis. At 31 March 2019 the Trust had 15 identified risks on the Corporate Risk Register. Of these risks, two were rated with a score below 12, 12 were rated with a risk score of 12 and one with a risk score of 15 or above.

During 2017/18 the Trust's Community Mental Health Services went through a significant transformation programme. The potential risks to quality of care and patient safety during this period of change were included on the Trust's Corporate Risk Register and managed closely by operational staff via the Community Mental Health Team Reconfiguration Programme Board. In 2018/19 the new model was embedded and the risk remained on the Corporate Risk Register to provide assurance on patient safety measures during this period. In addition, a weekly Mobilisation Board continued to record and monitor any risk associated with that and any other transformation programme. A Quality Impact Assessment was undertaken to monitor the impact of the change in 2017 and a full review was commissioned in 2018 to assess the outcomes of the transformation programme as well as an external review of the effectiveness of the process itself. The Executive Director's Group has monitored this risk on a monthly basis and the Board and its relevant committees on a quarterly basis. The risk has also been included on the Trust's Board Assurance Framework where it is monitored quarterly by Board and its Committees.

As the year has progressed and uncertainty regarding the country's withdrawal from Europe has increased, the potential impact on the supply of medication and the Falsified Medicines Directive has become apparent and risks were duly recorded at the latter end of the year to ensure board level oversight. The risks will also be monitored in relevant quality and safety meetings.

Trust Board members attended a workshop in May 2018 to consider the Board's risk appetite and revisited this in February 2019, agreeing new definitions for risk scores and the Trust's risk appetite for 2019/20. The Trust Board determines whether an individual risk or a specific category of risks are considered acceptable or unacceptable based upon the circumstances/situation facing the Trust. The Trust's approach is to minimise exposure to risk that impacts on patient safety and the quality of our services. However, the Trust accepts and encourages an increased degree of risk in the objective relating to innovation, provided the innovation is consistent with the achievement of patient safety and quality improvements.

Work on the Board risk appetite is incorporated into the Board Risk Management Policy, being subject to review as deemed appropriate to any new developments within the Trust.

Risks are also highlighted via incidents, including serious incidents, complaints, concerns, safeguarding issues, claims and other queries. The Quality Assurance Committee of the Board of Directors receives quarterly reports on incidents, complaints, infection prevention and control, safeguarding, service user experience and clinical audit.

The Trust has a strong incident reporting culture and staff are actively encouraged to report all incidents and near misses to enable the Trust to learn from such events and improve service user safety.

An Internal Audit Report of Operational Risk Management published in January 2018 provided a limited opinion for the period under review. A significant amount of work was undertaken throughout 2018/19 to address weaknesses in operational

risk management including the provision of comprehensive risk management training to Senior Staff, Senior Operational Managers and Team Leaders to embed the use of the electronic risk management system. As a result in March 2019 a further audit of operational risk management provided significant assurance that the control environment was effectively managed.

Assurance is provided to the Audit Committee every quarter that risks are being addressed and actions completed via amendments to the Corporate Risk Register and Board Assurance Framework.

#### **4.2 Board Assurance Framework (BAF)**

The Board Assurance Framework is a document which is based on the Trust's strategic aims as described in the Annual Operating Plan, and the Corporate Objectives derived from those strategic aims. The BAF records the key risks which may inhibit the delivery of those objectives and gives assurance regarding the robustness of the Trust's system of internal controls which mitigate against those risks.

Considerable work was undertaken in 2018/19 to develop and embed the use of the BAF at Board and across Board committees. The BAF was reviewed quarterly by the Audit Committee. Each Board committee also received the element of the BAF relevant to their remit on a quarterly basis. Following Committee reviews, the BAF was received by the Trust Board. In 2018/19, of those control areas identified for improvement, none were deemed to pose a serious risk to the overall system of internal control or delivery of the Trust's strategic objectives.

During 2018/19 work continued on the BAF to improve use and functionality through its integration and embedding into the Trust's Ulysses Risk Management System. There was also a review of information provided to Committees and the Board, requiring a clear link between papers and the BAF in order to demonstrate how they provide assurance to Board and its Committees that risks are being managed and mitigated.

At the start of the 2018/19 financial year, 17 strategic risks were agreed at Board and assigned to the BAF under our strategic aims of quality and safety, people, future services and value for money. By the end of 2018/19 we had either closed or de-escalated seven of these risks due to effective management of our control system and instigating new action as appropriate.

At the end of each financial year, the Board receives and approves the final Board Assurance Framework and any residual risks and outstanding actions are carried forward onto the refreshed BAF. Any underlying risks are similarly updated on the Corporate Risk Register.

#### **4.3 Public Stakeholder Involvement in Managing Risks**

It is a key organisational ambition of the Trust to continuously improve our approach to engaging service users, carers, governors and partners, both voluntary and statutory, to learn from individuals' experiences and enable continuous quality improvements in all areas of our business.

Such public voice representatives are members of the governance structures of the Trust and actively take part in groups across the organisation to contribute to

planning and service improvement. Examples include regular membership on Microsystem Improvement groups, the Service Users Engagement Group, the Carer's Strategy Implementation Group, the Service User Safety Group and the Quality Improvement Forum. Public voice representatives have also been involved in assisting the Trust to undertake various site visits in relation to our 15 steps challenge and the Patient-Led Assessments of the Care Environment (PLACE) visits. Furthermore, consultation of the recent community reconfiguration actively included the public voice.

This year has seen a revision to the structure of the Carers Implementation Strategy Group meetings in order to drive implementation of the strategy and ensure optimum connection with quality improvement and safety. The Service Users Engagement Group has continued to alternate its formal meetings with less formal road shows to afford the opportunity for two-way dialogue around any potential areas of concern or risk.

The number of service user and carer networks, co-led by service users and carers, has continued to flourish, enabling services to improve their care in line with service user and carer experience and feedback. This year has seen enhanced developments around the governance of such forums, to ensure appropriate systems are in place to minimise and manage risks. Public voice representatives also volunteer in many of our services and undertake focused work to strengthen our engagement and facilitate quality improvements.

Our partnership working has continued to develop over the last 12 months through the growth of the Sheffield Accountable Care Partnership (ACP) strengthening relationships, in particular with NHS Sheffield Clinical Commissioning Group, Primary Care Sheffield, Sheffield Teaching Hospitals NHS Foundation Trust, Sheffield Children's NHS Foundation Trust and the Local Authority. Two key areas of joint working include development of the Sheffield-wide Dementia Strategy through public co-production and influencing the Shaping Sheffield work, which focuses on developing priorities across the city and ensuring we continue to work together to deliver them. The creation of the regional Integrated Care System (ICS) has consolidated the joint working with stakeholders across the locality through the development of a joint vision and associated work priorities, aiming to improve the health and wellbeing of our collective population. Members of the public have been invited to engage in the process through the engagement of Healthwatch and local voluntary sector organisations

As a Foundation Trust, Sheffield Health and Social Care has public members and a Council of Governors. The overall role of the Council of Governors is to assist the Trust in the drive to raise standards by providing services of the highest possible quality that meet the needs of the people of Sheffield. The Council of Governors receives updates on the Trust's compliance against regulations and standards and helps plan and steer the Trust and assists in setting priorities for improvements and changes. Governors are also members of key governance meetings where they can represent the interests of the local community, service users and carers and make sure that the Trust does what it says it will do.

#### **4.4 Quality Governance Arrangements**

The Trust triangulates service performance across a range of indicators relating to care standards, quality, workforce and finance at service, Directorate and Trust-

wide level. Further developments during 2018/19 were to enhance performance management frameworks through effective business information systems. The Board of Directors' monthly and annual performance reporting processes ensure that the Executive Directors' Group is able to scrutinise and manage the operational performance of services and the Board of Directors to maintain overall oversight on the performance of the Trust.

Bi-annually the performance of all services is reviewed through Care Network/Directorate-level Service Reviews. The Executive Management Team reviews with each Care Network/Directorate their performance against planned objectives.

Sheffield Health and Social Care NHS Foundation Trust reports progress on the Trust's Quality Objectives to the Quality Assurance Committee of the Board of Directors quarterly and also regularly monitors progress against the quality indicators contained within the Quality Schedule that is agreed with our commissioners, NHS Sheffield Clinical Commissioning Group.

The Trust has arrangements in place to ensure that assessments of the impact on service quality are integral in the production of its forward and future plans. On-going and routine monitoring of quality impact assessments take place, which provide assurance through the Trust's Quality Assurance Committee to the Board of Directors.

Quality Impact Assessments on cost improvement plans contained within the Trust's Annual Plan, Directorate level business plans and business case development, production and implementation were undertaken and assessed as very low or low risk in respect of their impact on the quality of services. To provide assurance, reviews are undertaken at the end of each quarter to ensure regular appraisal of the impact on quality is undertaken and reported to the Executive Directors' Group and Quality Assurance Committee.

The governance framework outlined in Section 7 of this statement ensures that the Board of Directors is able to monitor and evaluate the performance of the Trust and its services and to initiate improvement actions where required.

Following the Trust's CQC inspection in July 2018 (report received October 2018), the Quality Improvement and Assurance Strategy was refreshed to ensure the Trust's priorities set out within the strategy were aligned with the additional priority areas highlighted by the CQC. The refreshed strategy was presented to the Quality Assurance Committee in January 2019.

The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission. It regularly reviews on-going compliance with the CQC's Fundamental Standards of Quality and Safety which is assessed throughout the year by individual teams within their internal governance processes.

In addition, the Trust has a peer review process involving staff members and experts by experience, to test and assess compliance against the CQC's domains. Further assurance is also provided through external accreditation of services where applicable. Clear governance arrangements are in place to monitor progress with action plans developed as a result of the CQC's Well-led Inspection 2018, with



clinical operations leading on service level actions. The governance arrangements in place ensure that monitoring and approval go through a structured process from ward/team level to final decision approval at the Trust's Executive Directors Group. Where contractual arrangements are in place, stakeholders also assess compliance with CQC standards and monitor progress where improvements are identified. Compliance with standards is also monitored by the Quality Assurance Committee and Non-Executives visit services for additional assurance.

#### **4.5 Information Governance and Data Security**

The Trust has an Information Governance Policy which provides a framework that incorporates a range of policies relating to the creation, use, safe handling and storage of all records and information. The management and monitoring of information risks is the responsibility of the Trust's Senior Information Risk Owner (the Executive Director of Finance) and information risks and incidents are reviewed and monitored through the Data and Information Governance Board, which is a sub-group of the Digital Transformation Board and also reports to the Quality Assurance Committee.

The Trust made an inaugural submission to the Data Security & Protection Toolkit in March 2019. We did not meet the required standard on four mandatory items and have agreed an improvement plan to reach the required standard with NHS Digital.

Information Governance training is included as part of the core training for new starters and other training sessions have been provided for staff. Information Governance is also covered in the Trust's local induction checklist for all new staff. Reminders are presented to staff when accessing the Trust's main patient information system and all staff are expected to complete annual online information governance training.

Information governance and data security incidents and risks are recorded and reported through the Trust's risk management processes, as described above.

Between 1 April 2018 and 31 March 2019 the Trust reported one data breach to the Information Commissioner's Office (ICO).

#### **4.6 Foundation Trust Compliance**

The Board of Directors receives regular information on various aspects of the Trust's performance, to assure itself that it is fulfilling the requirements and responsibilities as established within the Provider Licence, Code of Governance and Quality Governance Framework. Further information on this is provided within Section 3.4 of the Trust's Annual Report.

#### **4.7 NHS Pensions Scheme Regulations**

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.

#### **4.8 Equality, Diversity and Human Rights**

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

is required of all Trust written policies and Equality Analysis is also undertaken through processes set out in the Trust Project Management Documentation Suite. Information and reports related to compliance with obligations under the Equality Act 2010 is published through the Trust's internet.

#### **4.9 Carbon Reduction Plans**

The Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

#### **4.10 Workforce Strategies**

The Trust's safe staffing governance is overseen by the Effective Staffing Group which has four sub-groups: Safer Staffing, Workforce Planning, Medical Workforce and Bank/Agency/E-Rostering groups. These groups are reviewing their Terms of Reference to ensure National Quality Board (NQB) guidance is embedded. The Safer Staffing group leads the review of staffing data and meets monthly, chaired by the Executive Director of Nursing, with representatives from clinical services, Human Resources, E-Rostering and Finance. The Board and Executive Directors Group both receive a monthly report on staffing.

As a mental health provider we await the publication of the national mental health Optimum Staffing Tool (OST) (due in 2019). Meanwhile we have invested in the Allocate E-Rostering system and use the Safe Care module for understanding and measuring acuity and dependency alongside professional judgement. We have completed an Actual Full-time Equivalent (AFE) Review for the Acute Care Wards and plan to incorporate outcome measures e.g. Friends and Family Test and Care Opinion.

To effectively manage service user demand, the monthly Board Safer Staffing report includes an Executive Assurance Statement from the Executive Director of Operations, Medical Director and Executive Director of Nursing which covers reviews of staffing capacity (E-Roster), bed management, use of additional staffing and staff redeployment.

The forecast demand for staffing for 2019/20 is captured in the Trust annual workforce return. A five-year workforce plan, aligned to the financial plan, will be agreed in readiness for the autumn NHS Improvement requirements. The Workforce and Organisation Development strategy provides the delivery plan and key performance indicators to achieve the workforce plan objectives and further develop work on new roles, recruitment and retention, and skills development for existing staff. We will continue to work collaboratively with other Trusts to ensure our workforce plans are aligned across the wider Sheffield Accountable Care Partnership, and South Yorkshire and Bassetlaw (SYB) Integrated Care systems; for example, the Sheffield Older People's Workforce Strategy and SYB Mental Health Workforce Plan.

Following the completion of the NHS Improvement self-assessment tool, the governance and reporting arrangements for workforce planning have been strengthened. This includes Executive level representation at the Trust Workforce Planning Group and Executive level reporting through the Effective Staffing Group. As part of our operational business planning cycle for 2019/20, the Trust has agreed

a new process for Workforce Planning and Learning Needs Analysis which has improved engagement with professional leads, clinical services network and corporate support services. The new updated planning cycle is aligned to service needs and financial plans.

The Director of Quality is working collaboratively with IMST and clinical services to develop an integrated performance and quality framework (PQF). The PQF involves the provision of accurate and timely information on performance across all corporate and clinical services and the quality of care delivered against standards or targets that are clearly defined and understood, in order to facilitate informed decision making within the Trust.

The Trust has used the Allocate E–Rostering Safe Care Acuity and Dependency module/tool to undertake AFE Reviews for the acute care wards which are part of the operational and financial plan to be published in April 2019.

We have an effective and well-used Quality Impact Assessment (QIA) procedure in place linked to cost improvement programmes.

The Trust Workforce Planning group has membership from across corporate and clinical multi-disciplinary teams and coordinates the development and introduction of new roles. A key area of focus is the development of a governance process and QIA process for redesigning roles and skills mix. The Trust workforce planning group has oversight of all new role development with sub-groups working on specific areas such as Physicians Associates, Nursing Associates and Advanced Clinical Practice.

The Trust has a system of risk management and escalation in place (Risk Management Strategy) aligned to the Corporate Risk Register and Board Assurance Framework. Low staffing is recorded as an incident via the Ulysses reporting system, escalated to the Senior Operational Manager/Associate Clinical Directors/Deputy Director of Nursing for oversight, action and follow-up. Any escalated risks scoring 12 or more are registered on the Trust's Corporate Risk Register.

#### **4.11 Managing Conflicts of Interest in the NHS**

The Trust has published an up-to-date register of interests for decision-making staff within the past 12 months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

#### **5.0 Review of Economy, Efficiency and Effectiveness of the Use of Resources**

The Trust has a robust committee governance structure including the Audit Committee, Remuneration and Nomination Committee, Finance, Information and Performance Committee, the Workforce and Organisation Development Committee and the Quality Assurance Committee, together with various operational groups. This committee governance structure, together with the Board of Directors, is the foundation of effective governance within the Trust. During 2018/19 the Trust has continued the process of refreshing all committee terms of reference, reviewing committee structures and reviewing assurance processes. In addition, the Trust is committed to undertake a longer term piece of work to review the robustness of the assurance that is received at each committee in terms of its content and documentation.

The Executive Directors' Group provides strategic and operational governance for all plans to develop new or reconfigured services, supported by the Business Planning Group.

The Trust has continued to review a number of operational efficiency metrics throughout the year, including the results of benchmarking exercises. This has enabled the Trust to focus on service elements that can be considered in terms of the delivery of the Trust's Cost Improvement Programme (CIP) targets. The Trust has also carried out productivity analysis of its clinical services to drive further improvements in efficiency and help realise further efficiency savings, without impacting on quality standards of care.

The Trust has continued to take a Quality, Innovation, Prevention and Productivity (QIPP) approach to the delivery of Cost Improvement Plans and Cash Releasing Efficiency Scheme (CIP/CRES) targets. All CIP schemes are quality impact assessed to ensure the effectiveness. Detailed plans have been presented to the Board of Directors and regular reports are provided to the Board regarding delivery against these targets.

The organisation has strong leadership through its Directorates, including joint Service and Clinical Directors where appropriate. Each Director has received budget training and is responsible for ensuring that the resources they manage are done so effectively and efficiently and demonstrate value for money. Financial sign off of budgets is undertaken by Directors and is performance managed by the respective Executive Directors. Budget managers are provided with monthly budget reports for their areas of responsibility to assist them in undertaking this role. The Director of Finance meets regularly with Directorates forecasting an overspend greater than 2% of plan to ensure mitigation plans are in place. Formal service reviews take place bi-annually, which include oversight and scrutiny of financial matters.

## **6. Annual Quality Report**

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. NHS Improvement (in exercise of the powers conferred on Monitor) has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the *NHS Foundation Trust Annual Reporting Manual*.

During the year the Board of Directors has continued to review performance against its quality indicators and designated quality objectives. The Board does this through the reports and reviews to the Quality Assurance Committee (a formal committee of the Board of Directors) and to the Directors directly. This has enabled the Board to remain appraised of our current performance in respect of quality. Additionally, joint meetings of the Board of Directors and Council of Governors have reviewed areas of importance.

In preparing the Quality Report, Directors satisfied themselves that the report presents a balanced view and that there are appropriate controls in place to ensure the accuracy of the data taken from the Trust's systems, e.g. for patient records (Insight), for risk management (Ulysses Safeguard) and public websites, e.g. the

CQC. Service user feedback and information collected through team governance has also been used in the production of the report.

National reviews and guidance reports on Quality Reports from NHS Improvement were reviewed as well as the External Auditors' assurance report on Sheffield Health and Social Care NHS Foundation Trust's Quality Report from last year.

The Trust has consulted Sheffield City Council's Healthier Communities and Adult Social Care Scrutiny Committee, Healthwatch Sheffield and NHS Sheffield Clinical Commissioning Group on our Quality Report. Their feedback is incorporated within the Quality Report and has been considered by the Board of Directors, Quality Assurance Committee and Audit Committee.

In developing its quality objectives, the Trust was supported by the Council of Governors, who are a representative body of the Trust's membership.

Our Quality Report is contained in Section 4 of the Annual Report.

## **7. Review of Effectiveness**

As Accounting 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 Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report attached to 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 of Directors, the Audit Committee, the Quality Assurance Committee, the Workforce and Organisation Development Committee, the Finance, Information and Performance Committee, the Information Governance Steering Group, the Trust Management Group, the Transformational Operational Group and the Executive Directors' Group and a plan to address weaknesses and ensure continuous improvement of the system is in place.

These committees/groups and their accountability are described more fully below and in the Trust's Operational Plan and Annual Report. Each Board Committee also provides a Significant Issues Report to the Trust Board highlighting significant issues arising in the meeting and any changes to the level of assurance received. This report is in addition to the minutes received from each of those committees.

The Head of Internal Audit (HOIA) provides me with an opinion based on an assessment of the design and operation of the underpinning Assurance Framework and supporting processes and an assessment of the individual opinions arising from risk-based audit assignments contained within the internal audit risk based plan that have been reported throughout the year. This assessment has taken into account the relative materiality of these areas and management's progress in respect of addressing control weaknesses.

The Head of Internal Audit Opinion is based on three elements:

- The design and operation of the BAF and strategic risk management arrangements;
- The outcome of individual assignments reported within the 2018/19 Internal Audit Plan; and
- The extent to which the Trust has responded to audit recommendations.

The overall opinion of the HOIA is that of significant assurance of a generally sound framework of governance, risk management and control designed to meet the organisation's objectives, and that controls are generally being applied consistently.

It should be noted that in providing this opinion the HOIA emphasised the following points:

- There has continued to be development of the Board Assurance Framework and risk management during the year and the Trust has demonstrated improvements, but like in the previous year, is still an area under resource pressure.
- Throughout most of the year, the follow up position has been in the moderate category but a push at the year-end has enabled the Trust to gain significant assurance in this area. This has been a priority area for improvement and thus moving forward the Trust will need to establish appropriate mechanisms to ensure this is business as usual to maintain over 75% without being resource intensive.
- One high risk issue has been identified in the Business Planning audit to ensure a formalised annual business planning framework to demonstrate how the Trust's priorities will be delivered.

I note the comments in the Head of Internal Audit Opinion, noting particularly the areas for improvement and follow up highlighted in the Opinion, which will help the Trust shape its governance systems and culture in 2019-20. This work will be closely monitored by the Audit Committee, who will provide assurance or highlight risks to the Trust Board.

Executive managers within the organisation, who have responsibility for the development and maintenance of the system of internal control, provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

My review is also informed by:

- Reports from the Board of Directors and the Board Committees;
- Reports from External Audit;
- Reports from Internal Audit;
- External assessments by the CQC, including Mental Health Act Commissioners;
- Full registration with the CQC across all locations;
- Clinical Audit Programme;
- Quality improvement systems in health care – Microsystems;
- Patient-Led Assessments of the Care Environment (PLACE);
- Service User Surveys;
- Information Governance Toolkit assessment.

## **7.1 Board of Directors**

The Board of Directors is responsible for ensuring that the organisation has robust clinical, corporate and financial governance systems in place. This includes the development of systems and processes for financial control, organisational control and risk management. The Board of Directors receives and scrutinises detailed information and assurances on all aspects of the Trust's performance and business. It assesses its own performance and effectiveness, ensuring that it complies fully with its statutory and regulatory functions and duties. Further information on the Board of Directors can be found in Section 3 of the Trust's Annual Report. Further information on the Board of Directors' committees (as given below) can be found in Section 3.1.10 of the Trust's Annual Report.

## **7.2 Audit Committee**

The Audit Committee provides assurance to the Board of Directors through objective review and monitoring of the Trust's internal control mechanisms, such as financial systems, financial information, compliance with the law, governance processes, among others. It monitors the effectiveness of the systems in place for the management of risk and governance, and delivery of the Board Assurance Framework.

## **7.3 Quality Assurance Committee**

The Quality Assurance Committee provides assurance to the Board of Directors on the quality of care and treatment provided across the Trust by ensuring there are efficient and effective systems for quality assessment, improvement and assurance and that service user and carer perspectives are at the centre of the Trust's quality assurance framework.

A number of committees/groups report to the Quality Assurance Committee including the Medicines Management Committee, Infection Control Committee, Safeguarding Adults and Children and Psychological Therapies Governance Committee, among others. These groups regularly meet to discuss risks in their specific areas. The Service User Safety Group has a particular role in reviewing risks to the safety of service users, staff and the public.

## **7.4 Finance, Information and Performance Committee**

The Finance, Information and Performance Committee provides assurance to the Board of Directors on the management of the Trust's finances and financial risks.

## **7.5 Remuneration and Nominations Committee**

The Remuneration and Nominations Committee makes recommendations to the Board of Directors on the composition, balance, skill mix and succession planning of the Board, as well as advising on appropriate remuneration and terms and conditions of service of the Chief Executive, Executive Directors and Directors.

## **7.6 Workforce and Organisation Development Committee**

This Committee provides assurance to the Board of Directors on the human resource structures, systems and processes that support employees in the delivery of high quality, safe patient care and to ensure the Trust meets its legal and regulatory duties in relation to its employees.

## **7.7 Executive Directors' Group**

The role of the Executive Directors' Group is to ensure the operational and performance delivery of services in line with Trust strategic and business objectives.

The Executive Directors' Group is the key team which manages strategic and operational risk issues, and receives frequent reports on risk and governance.

#### **7.8 Operational Governance Groups**

A number of operational governance groups are established across the Trust, together with a series of professional advisory groups and committees, which report to the Executive Directors' Group. These groups provide operational, clinical and professional advice and assurance on the Trust's business.

From the reports and information provided across the organisation to the various governance groups, I am satisfied that the system of internal control is effective and supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets.

#### **Conclusion**

In my opinion no significant internal control issues have been identified for the period 01 April 2018 to 31 March 2019.



Kevan Taylor  
Chief Executive  
24 May 2019



### 3.8 Equality Report

#### Equal Opportunity and Dignity Statement



Sheffield Health and Social Care is committed to eliminating discrimination, promoting equal opportunity and doing all that we can to foster good relations in the communities in which we provide services and within our services. We aim to recognise and promote the diversity of our organisation with respect to gender, race, ethnicity, ethnic or national origin, citizenship, religion, disability, mental health, age, domestic circumstances, social class, sexual orientation, marriage or civil partnership status and beliefs, and recognise and support trade union membership.

We believe in fairness and equality and aim to value diversity and promote inclusion in all that we do. This is reflected in our values which form the guiding principles and behaviours for the way we do our work.

Our values are:

- Respect
- Compassion
- Partnership
- Accountability
- Fairness
- Ambition

These values are at the heart of celebrating and promoting the diversity of our organisation. Prioritising equal opportunity is essential to living these values.

We are committed to ensuring that all employees achieve their full potential in an environment characterised by dignity and mutual respect. Within our teams valuing difference is fundamental; it enables staff to create respectful work environments and to deliver high quality care and services while giving service users the opportunity to reach their full potential.

If unlawful discrimination occurs it will be taken very seriously and may result in formal action being taken against individual members of staff, including disciplinary action.

#### Equality and diversity

##### Did you know?

We held our third annual Working Together Conference in December 2018. Throughout the day we heard from inspirational guest speakers including retired Windrush nurse Beverley Chapman and Muhammad Ali, the UK's first diabetic professional boxer. We rounded off the day with a powerful Schwartz Round that gave attendees the opportunity to discuss and reflect on the impact of racism and harassment on staff.

Our Annual Equality and Human Rights Report is published each year on our website at [www.shsc.nhs.uk](http://www.shsc.nhs.uk). This highlights progress we have made against our equality objectives and also the priority action we have identified under the NHS Equality Delivery System 2.

We also publish our Workforce Race Equality Standard (WRES) Report and Action Plan each year on our website

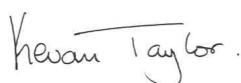
In 2018 we held a third successful Working Together conference planned by our Black and Minority Ethnic (BME) staff network group. We also focused on developing an action plan with four other mental health trusts looking at action to respond to the high number of BME staff who report experiencing harassment from service users.

In March 2019 we published our second Gender Pay Gap Report which is in the equality section of our website. Following our first report in March 2018 we have been focusing on closing the gap in bonus pay between men and women in the organisation and some progress has been made. The actions agreed in March 2018 were completed and there has been a small reduction in our median bonus pay gap.

Despite these actions, the median gender pay gap worsened slightly from the position in 2017. We intend to continue to review our gender pay gap data and consider additional action as more information becomes available through annual reporting and to review government guidance published in early 2019 on how to review gender pay gap data.

In 2018/19 we have also been preparing for the introduction of the new Workforce Disability Equality Standard <https://www.england.nhs.uk/about/equality/equality-hub/wdes/> and will publish our first review of the new metrics and action plan in July / August 2019.

This Accountability Report has been approved by the Directors of Sheffield Health and Social Care NHS Foundation Trust.



Kevan Taylor  
Chief Executive  
24 May 2019

## **Section 4.0 Quality Report**

### **Part 1: Quality Report 2018/19 Chief Executive's welcome**

I am pleased to present the Sheffield Health and Social Care NHS Foundation Trust Quality Report for 2018/19.

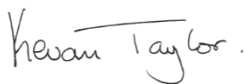
This Quality Report aims to share with you our commitment to achieve improved outcomes and deliver better experiences for our service users, their carers and their families. We report within this document the progress we have made against the quality priorities we set last year, and look ahead to the areas where our focus will continue in the coming year.

During May – July this year (2018) we received a well-led inspection from the Care Quality Commission (CQC). The inspection report was published in October 2018 and rated the Trust as 'Good' in three domains, 'Requires Improvement' in the remaining two domains and 'Requires Improvement' overall. The inspectors found many areas of good practice, but they also identified areas we need to improve. We are confident that we will continue to improve services and will work with staff, service users, carers, volunteers and Governors to address the areas where standards were not as expected.

Our recent staff survey results show that we have some challenges to overcome. Further information on this is provided on page 30. Following significant transformation of our community mental health services, our survey results show that we are 'about the same' as other mental health trusts. The results show a slightly improved position from the previous year, but we know there is still work to do to ensure the quality of what we provide is of a consistently high standard for every person.

In publishing this Quality Report the Board of Directors have reviewed its content and verified the accuracy of the details contained in it. Information about how they have done this is outlined in Annexe B to this report.

To the best of my knowledge the information provided in this report is accurate and represents a balanced view of the quality of services that the Trust provides. I hope you will find it both informative and interesting.



Kevan Taylor  
Chief Executive

## **Part 2(a): Priorities for Improvement**

### **Progress against our Quality Objectives in 2018/19**

In setting our plans for 2018/19 the Board of Directors reviewed our priorities for quality improvement by:

- reviewing our performance against a range of quality indicators;
- considering our broader vision and plans for service improvement;
- exploring with our Council of Governors their views about what they felt was important;
- engaging with our staff and service users to understand their views about what was important and what we should improve.

We then consulted on our proposed areas for quality improvement with a range of key stakeholders. These involved our local Clinical Commissioning Group, Sheffield City Council, Healthwatch and our Governors.

#### **Our quality objectives for 2018/19 were:**

##### **Quality Objective 1:**

Improving access to services and treatment;

##### **Quality Objective 2:**

Improving service user and carer experience, involvement and engagement;

##### **Quality Objective 3:**

Improving physical, mental and social wellbeing outcomes for all service users.

## Quality Objective 1: Improving access to services and treatment

### Why we chose this priority

***The evidence clearly demonstrates that prompt access to effective treatment has a significant impact on outcomes.*** When we met with our Governors this was a key area of concern for them. They wanted us to ensure that people got seen quickly when they needed to. Improving access is an area prioritised by our commissioners and they are supportive of improvement and service reconfigurations to help us achieve this. This continues to be a challenging agenda, but is one that the Trust welcomes and fully supports.

### We said we would

- Look into the problems we had with telephone response times following the launch of our SPA service (Single Point of Access).
- We have direct access to the substance misuse screening tool through the physical health assessment form on Insight, our clinical records system. We said we would continue to roll this out across our inpatient wards.
- Continue to ensure that people who are being cared for outside of the city are returned to Sheffield.
- Undertake a re-audit of the greenlight toolkit which focusses on improving access to mainstream services for people with a learning disability.

### How have we done?

- We have selected a new telephone system and begun to implement it in our SPA service. The new system helps us to better understand the volume of calls we are receiving and ensures that calls are diverted quickly to people who can respond to them when the lines are busy.
- All of our inpatient areas now have direct access to the screening tool.
- We continue to have no individuals placed outside the city who need an admission to our acute wards and are making good progress in returning people back to Sheffield as quickly as possible if they need specialist treatment elsewhere.
- We have continued to work with partners across the city to ensure that people with a learning disability are enabled to access the services they need, making reasonable adjustments wherever possible to support them to do this. To embed this approach into everyday practice, a policy is being developed by the Trust for use across all our service areas.

## **Quality Objective 2: Improving service user and carer experience, involvement and engagement**

### **Why we chose this priority**

***Understanding the experiences of the people who use our services and their carers/families is essential if we are to be successful in achieving quality improvement. Our Governors told us that we should continue to support staff to have an appreciation and awareness of what it is like to receive care and to improve how we gather feedback about people's experiences.*** The Trust revised its Service User Engagement and Experience Strategy in April 2018. This strategy sets our approach to improving and understanding the experience of the people who use our services, their carers and families.

### **We said we would**

- Improve compliance with the completion of post incident reviews by introducing weekly reporting and monitoring to ensure that our focus remains on reducing restrictive practices and post seclusion reviews.
- Continue to develop and deliver improvements as set out in our refreshed Service User Engagement and Experience Strategy and monitor our performance against this.
- Recruit additional staff within our Engagement and Experience Team to ensure we improve service user and carer experience and involvement.
- Continue to develop our working with Care Opinion to increase the service user and carer feedback we are receiving and to make real improvements based on the feedback.
- Undertake an audit of Positive Behaviour Support planning within community teams.

### **How have we done?**

- We have continued to work with our clinical teams to improve our completion of post incident reviews. There is still work to do, including adding it to our electronic clinical record system to standardise the way we record this information and making it easier for staff to record the information in a timely manner.
- Our Service User Service Engagement Group (SUSEG) has overseen the delivery of our Service User Engagement and Experience Strategy over the year, and has ensured that the implementation of our plan has continued with focus and pace.
- We welcomed two new members of staff into the Engagement and Experience Team this year, and are already seeing the positive impact they are making on this important agenda.
- An action plan was developed over the year to increase our service user feedback across the Trust, including active promotion of Care Opinion with service users and within our staff teams. We also had useful conversations with Nottinghamshire Healthcare NHS Trust who have been particularly successful in using Care Opinion, to understand how they have achieved this.

### **Quality Objective 3: Improving physical, mental and social wellbeing outcomes for all service users.**

#### **Why we chose this priority**

***Evidence clearly shows that people with severe mental illness and people with learning disabilities have reduced life expectancy and greater morbidity, as do people who are homeless and people who misuse drugs and alcohol. Physical health was a priority for our Governors and service users, as many of our service users are at higher risk of developing physical health problems.*** The need to deliver continued improvements in this area is key priority across health and social care in Sheffield. It will help deliver improved outcomes and achieve a reduction in the gap in life expectancy for people with serious mental health illnesses and people with a learning disability.

#### **We said we would**

- Review our physical health training to consider how we support policy into practice and learn from incidents.
- Re-establish our Physical Health Group and review our physical health examination and assessment forms, ensuring they help practice and decision making.
- Monitor the progress made against our action plan following the baseline assessment of the NICE Guideline NG58 (Coexisting severe mental illness and substance misuse: community health and social care services).
- Continue to improve our responsiveness in undertaking falls risk assessments, ensuring these are carried out within three days of admission.

#### **How have we done?**

- We have reviewed our physical health training in line with national best practice, such as Recognising and Assessing Medical Problems in Psychiatric Settings, (RAMMPS) and Early Warning Score (EWS) training and from the lessons we have learned from incidents and audits within the Trust. Our Intermediate Life Support training also uses scenarios based on learning from within our Trust and from across the region.
- We have not re-established our Physical Health Group in this year as we had planned. However, this is now in progress, led by our new Deputy Chief Nurse. The review of our Physical Health Policy and supporting assessment forms are a priority in the Group's work programme.
- Progress against NICE Guideline NG58 has been monitored within Clinical Operational services to ensure that changes to practice have been made. The Clinical Effectiveness Group (CEG) has overseen progress as part of its remit to assure the Trust in relation to the implementation of NICE guidance.
- We have made positive progress with our falls risk assessments, with an overall 82.5% of assessments completed within 3 days of admission across our inpatient areas.

## ***Our Quality Objectives for 2019/20***

In considering our objectives for 2019/20 we have reviewed how we are performing.

### **The findings from the Care Quality Commission (CQC) well-led inspection**

The CQC published the findings from its inspection of Trust services in October 2018.

This is summarised in more detail in Section 2(b) of this report. The Trust's overall rating is 'Requires Improvement'. We have used feedback from the inspection to align our quality priorities with the areas where standards were not as expected

### **National Standards and Priorities**

During 2018/19 our Single Oversight Framework segment rating remained at 2.

We have again exceeded the national access standards for IAPT Services during 2018/19, as well as exceeded the national access standard for people experiencing a first episode of psychosis.

### **Commissioning priorities for service developments**

The main focus of the current and developing plans for service development across Sheffield, as they relate to the Trust, is the continued development of sustainable community care systems that deliver quality care and experiences, positive outcomes and significant reduced demand on acute hospital based services. As part of this programme there is a focus on mental health and ensuring urgent and crisis care pathways and provision are accessible and effective over the full 7 day period.

Commissioning priorities in respect of quality improvement for the services directly provided by the Trust are defined through the agreed CQUIN programmes. The areas of focus as we move into 2019/20 are to follow-up patients, following hospital discharge, within 72 hours, to continue to screen for and provide advice regarding smoking and alcohol and data quality.

Our Governors also informed us of their priority areas going forwards into 2019/20, to ensure we incorporated these within our quality objectives.

### **Quality Objective Setting**

In determining our specific quality objectives the Board of Directors has been informed by the following considerations:

- We have a clear plan to deliver improvements from the CQC inspection;
- We currently perform well against the current national standards;
- Quality improvement priority areas highlighted through our Governors.

The Trust has a range of development priorities and actions in place that are focussed on maintaining and improving the quality of care provided. These priorities address our transformation priorities and a range of quality improvement programmes that focus on particular aspects of quality and safety, or build our capacity to deliver high standards of quality care.



The quality objectives we have agreed for 2019/20 are:

**Quality Objective 1:**

Improving access to services and treatment;

**Quality Objective 2:**

Improving service user and carer experience, involvement and engagement;

**Quality Objective 3:**

Improving physical, mental and social wellbeing outcomes for all service users.

**What we want to achieve**

**Quality Objective 1:**

Improving access to services and treatment;

- CQC Rating of Good during 2019/20\*
- Early Intervention in Psychosis, Home Treatment (North) and Older Peoples CMHT services to gain RCPsych CCQI accreditation\*
- Endcliffe Ward and Adult Mental Health Recovery service ready to apply for accreditation\*
- Significant assurance from internal audit of system governance
- All national access standards in respect of waiting times
- 75% of people routinely referred to the Single Point of Access to access treatment within 8 weeks (from Q3 onwards).

**Quality Objective 2:**

Improving service user and carer experience, involvement and engagement;

- CQC Rating of Good during 2019/20\*
- Every person secluded will have a post incident review completed (from Q3 onwards)
- Every person who has been secluded will have their physical health monitored in accordance with MHAct Code of Practice (from Q3 onwards)
- Every person who has received rapid tranquilisation will have their physical health monitored in accordance with NICE Guidance (from Q3 onwards)
- A reduction in the use of restrictive interventions on Maple and Endcliffe Wards
- A reduction of incidents of violence where harm has occurred in all inpatient wards
- All patients within Early Intervention in Psychosis and patients within Adult Mental Health Recovery Services on CPA will receive a cardio metabolic assessment (from Q3 onwards).

### **Quality Objective 3:**

Improving physical, mental and social wellbeing outcomes for all service users.

- CQC Rating of Good during 2019/20\*
- All inpatient and community teams will increase the feedback received from the FFT and Care Opinion (from Q3 onwards) against their Q1 baseline
- An increase in the use of ReQoL, or an agreed equivalent outcome measure (from Q3), against their Q4 2018/19 baseline
- Early Intervention in Psychosis, Home Treatment (North) and Older Peoples CMHT services to gain RCPsych CCQI accreditation\*
- Endcliffe Ward and Adult Mental Health Recovery service ready to apply for accreditation.\*

\* Signifies a measure that spans more than one quality objective.

### **Monitoring Progress**

Progress against the achievement of our quality objectives is monitored on a quarterly basis through our clinical operational services care networks. Progress is reported through our Executive Directors Group to our Quality Assurance Committee. We also share our progress, together with any concerns on achievement, with external partners.

### **Quality Governance arrangements**

In order to ensure quality, the Trust's governance arrangements are summarised as follows:

*Board of Directors:* Sets the Trust's strategic aims and ensures the necessary supporting strategies, operational plans, policy frameworks and financial and human resources are in place for the Trust to meet its objectives and review its performance. Receives assurance reports on compliance with CQC standards as well as the improvements necessary to achieve quality services.

*Quality Assurance Committee:* Brings together the governance and performance systems of the Trust in respect of quality. The Committee provides oversight of Trust systems in work of a range of committees that oversees Trust systems and performance in respect of key matters relating to quality and safety. Receives assurance reports on compliance with CQC standards as well as the improvements necessary to achieve quality services.

*Audit Committee:* Reviews the existence and maintenance of an effective system of integrated governance, risk management and internal control Trustwide.

*Executive Directors Group:* Oversees the operational functioning and delivery of services and programme management oversight of key transformation and improvement projects. The Medical Director is the Trust's Executive lead for quality improvement. Oversees the development and implementation of Trust wide compliance plans.

*Service User Safety Group:* Monitors the Trust's performance around incident management including serious incidents, learning from incidents, Trust mortality, the patient safety thermometer, infection prevention and control, falls, restrictive practices and all matters of patient safety.

*Clinical Effectiveness Group:* Establishes our annual clinical audit programme (which includes national and locally agreed clinical audits), oversees the implementation of NICE guidance and embeds the routine use of outcome measures in clinical services.

*Service User Engagement Group:* Improves the quality of service user quality and experience, ensures that service user experience drives quality improvement and enables the clinical directorates to enhance how they engage with service users.

*Systems of Internal Control:* A range of policy and performance management frameworks (at individual and team level) as well as internal controls are in place to protect and assure the safety of care and treatment and the delivery of quality care in line with national policy and legislation.

The Trust triangulates service performance across a range of indicators relating to care standards, quality, workforce and finance at service, Care Network and Trust wide level. The Board's monthly and annual performance reporting processes ensure that the Executive Management Team is able to scrutinise and manage the operational performance of services and the Board to maintain overall oversight of the performance of the Trust. On an established bi-annual cycle, the performance of all services is reviewed through Care Network level Service Reviews. The Executive Team reviews with each operational care network their performance against planned objectives.

The above framework ensures that the Board of Directors is able to monitor and evaluate the performance of the Trust and its services and to initiate improvement actions where required.

### **Our Assurance Processes**

To deliver our strategy, it is essential that staff have the ability to engage with quality improvement techniques. Whilst we will use a range of quality improvement techniques as appropriate, the core Trust-wide approach that we will continue to embed will be the Microsystem improvement methodology.

### **Freedom to Speak Up**

The Trust hopes that staff feel secure to raise concerns within their teams and speaking up about issues is considered “business as usual”. However, this is not the case in all areas at all times and the Trust recognises more needs to be done to promote a speaking up culture. There are a variety of ways to raise concerns which include raising concerns with managers, in supervision, to the union, HR department and Freedom to speak Up Guardian. Some managers have an open door policy, including the Chief Executive, to encourage an open culture. Some teams also have comments boxes giving another avenue for staff to raise issues. Where concerns are raised to the Freedom to Speak Up Guardian, written feedback is provided when possible. The Guardian also ensures that no detriment occurs when staff speak up. For further information on this, please refer to the Freedom to Speak Up bi-annual reports to the Trust's Board of Director, available on our website.

## Part 2(b): Statements of Assurance from the Board of Directors

### **Review of Health Services**

During 2018/19 SHSC provided and/or sub-contracted 47 relevant health services. The Trust has reviewed all the data available to it on the quality of care in 47 of these relevant health services. The income generated by the relevant health services reviewed in 2018/98 represents 100% of the total income generated from the provision of relevant health services by SHSC for 2018/19.

### **National Clinical Audits and National Confidential Enquiries**

During 2018/19 nine national clinical audits and four national confidential enquiries covered relevant health services that SHSC provides. During that period the Trust participated in 100% national clinical audits and 100% national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that SHSC was eligible to participate in during 2018/19 are as follows:

|   |
|---|
| <b>National clinical audits and national confidential enquiries</b>   |
| Learning Disability Mortality Review Programme (LeDeR Programme)  |
| Mental Health Clinical Outcome Review Programme<br>1. Suicide in children and young people                          |
| Mental Health Clinical Outcome Review Programme<br>2. Suicide, Homicide & Sudden Unexplained Death                  |
| Mental Health Clinical Outcome Review Programme<br>3. The Assessment of Risk and Safety in Mental Health Services   |
| National Clinical Audit of Anxiety and Depression (NCAAD): Core Audit   |
| National Clinical Audit of Anxiety and Depression (NCAAD): Psychological Therapies<br>Spotlight Audit               |
| National Audit of Care at the End of Life (NACEL)   |
| National Clinical Audit of Psychosis (NCAP): Early Intervention in Psychosis Spotlight<br>Audit                     |
| National Core Diabetes Audit  |
| Prescribing Observatory for Mental Health (POMH-UK): Topic 16: Rapid tranquillisation                               |
| Prescribing Observatory for Mental Health (POMH-UK): Topic 18: Prescribing<br>clozapine                             |
| Prescribing Observatory for Mental Health (POMH-UK): Topic 6: Assessment of side<br>effects of depot antipsychotics |
| Prescribing Observatory for Mental Health (POMH-UK): Topic 7: Monitoring of patients<br>prescribed lithium          |

The national clinical audits and national confidential enquiries that SHSC participated in during 2018/19 are as follows:

|  |
|--|
| <b>National clinical audits and national confidential enquiries</b>                        |
| Learning Disability Mortality Review Programme (LeDeR Programme)                           |
| Mental Health Clinical Outcome Review Programme<br>1. Suicide in children and young people |

|   |
|---|
| Mental Health Clinical Outcome Review Programme<br>2. Suicide, Homicide & Sudden Unexplained Death                  |
| Mental Health Clinical Outcome Review Programme<br>3. The Assessment of Risk and Safety in Mental Health Services   |
| National Clinical Audit of Anxiety and Depression (NCAAD): Core Audit   |
| National Clinical Audit of Anxiety and Depression (NCAAD): Psychological Therapies<br>Spotlight Audit               |
| National Clinical Audit Care at the End of Life (NACEL)   |
| National Clinical Audit of Psychosis (NCAP): Early Intervention in Psychosis Spotlight<br>Audit                     |
| National Core Diabetes Audit  |
| Prescribing Observatory for Mental Health (POMH-UK): Topic 16: Rapid tranquillisation                               |
| Prescribing Observatory for Mental Health (POMH-UK): Topic 18: Prescribing<br>clozapine                             |
| Prescribing Observatory for Mental Health (POMH-UK): Topic 6: Assessment of side<br>effects of depot antipsychotics |
| Prescribing Observatory for Mental Health (POMH-UK): Topic 7: Monitoring of patients<br>prescribed lithium          |

The national clinical audits and national confidential enquiries that SHSC participated in, and for which data collection was completed during 2018/19, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

| <b>National clinical audits and national confidential enquiries</b>   | <b>Number of cases submitted as a percentage of those asked for</b> |
|---|---|
| Learning Disability Mortality Review Programme (LeDeR Programme)  | 100% (Note 1 and 2)   |
| Mental Health Clinical Outcome Review Programme<br>1. Suicide in children and young people<br>2. Suicide, Homicide & Sudden Unexplained Death<br>3. The Assessment of Risk and Safety in Mental Health Services | 100% (Note 3)   |
| National Clinical Audit of Anxiety and Depression (NCAAD): Core Audit   | 100%  |
| National Clinical Audit of Anxiety and Depression (NCAAD): Psychological Therapies Spotlight Audit  | 100%  |
| National Clinical Audit Care at the End of Life (NACEL)   | No case-note audit  |
| National Clinical Audit of Psychosis (NCAP): Early Intervention in Psychosis Spotlight Audit  | 100%  |
| National Core Diabetes Audit  | National data extraction  |
| Prescribing Observatory for Mental Health (POMH-UK): Topic 16: Rapid tranquillisation   | 100%  |
| Prescribing Observatory for Mental Health (POMH-UK): Topic 18: Prescribing clozapine  | 100%  |
| Prescribing Observatory for Mental Health (POMH-UK): Topic 6: Assessment of side effects of depot antipsychotics  | 100%  |

|  |      |
|--|------|
| Prescribing Observatory for Mental Health (POMH-UK): Topic 7:<br>Monitoring of patients prescribed lithium | 100% |
|--|------|

Note 1: The percentage figure represents the numbers of people who we reported as having prior involvement with.

Note 2: Submission of data for Quarters 3 and 4 of each year takes place within the reporting period of the following year. Therefore this figure includes Quarters 3 and 4 of 2017/18 and Quarters 1 and 2 of 2018/19.

Note 3: In some cases reporting had not occurred before the end of the 2018/19 reporting period due to the timeframe between the relevant death occurring and the end of the reporting period. All relevant cases will be reported in due course.

The reports of 6\* national clinical audits were reviewed by the provider in 2018/19 and SHSC intends to take the following actions to improve the quality of healthcare provided: We have updated the prescribing guidelines for valproate as well as looking to improve prescribing practice and physical health monitoring for people with psychosis. We will be making a number of improvements in relation to the care of patients following rapid tranquillisation. We are the process of making a number of improvements to our Early Intervention Service to enable them to meet all the expected standards for early intervention services.

\* A number of the national clinical audits participated in during 2018/19 will be publishing their reports during 2019/20. In addition, three national clinical audits undertaken in 2017/18 reported their findings in 2018/19 and are therefore included here.

The reports of 19\* local clinical audits were reviewed by the provider in 2018/19 and SHSC intends to take the following actions to improve the quality of healthcare provided: Community mental health services are identifying and taking action on any gaps in the recording of physical health reviews. Learning disability services are increasing the use of clinical outcome measures. We have strengthened our work on the development of a personality disorder pathway. We aim to improve the extent of collaboration with service users in care planning. We are targeting better identification of carers and recording of their views when planning care.

The findings of many local clinical audits are reviewed at team-level and therefore individual teams will identify their own areas for improvement and actions to take.

\* There were a number of local clinical audits where data collection took place during 2018/19 but the audit is not completed at the end of the year. The reports from these will be reviewed during 2019/20.

### ***Participation in Clinical Research***

The number of patients receiving relevant health services provided or sub-contracted by SHSC in 2018/19 that were recruited during that period to participate in research on the National Institute for Health Research (NIHR) portfolio was 1070. These are research studies considered by the NIHR to be of high quality and demonstrating clear benefit to the NHS, Social Care or Public Health.

### **Goals under the Commissioning for Quality and Innovation (CQUIN) payment framework**

A proportion of SHSC's income in 2018/19 was conditional on achieving quality improvement and innovation goals agreed between the Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework.

For 2018/19 £1,150,451 of the Trust's contracted income was conditional on the achievement of these indicators. We achieved the majority of the targets and improvement goals that we agreed with our Commissioners. We received £821,998 (71.5%) of the income that was conditional on these indicators. For the previous year, 2017/18 the associated monetary payment received by the Trust was £942,355 (79.4%).

The five indicators agreed with our main local health Commissioner Sheffield NHS Clinical Commissioning Group for 2018/19 are shown below.

| <b>CQUIN</b>   | <b>Performance</b>   |
|--|--|
| <b>1. Improving staff well-being:</b><br>a) Introduction of Health and Wellbeing Initiatives<br>b) Healthy food for NHS staff, visitors and patients<br>c) Improving the Uptake of Flu Vaccinations for Front Line Clinical Staff              | Achieved <sup>1</sup><br>Achieved<br>Partially Achieved                      |
| <b>2. Improving Physical Healthcare to Reduce Premature Mortality in people with Severe Mental Illness (PSMI)</b><br>a) Cardio metabolic assessment and treatment for patients with psychoses<br>b) Collaboration with primary care clinicians | Partially Achieved<br>Partially Achieved                                     |
| <b>3. Improving services for people with mental health needs who present to A&amp;E.</b>   | Achieved   |
| <b>4. Transitions out of Children and Young People's Mental Health Services</b>  | Partially Achieved   |
| <b>5. Preventing ill health by risky behaviours – alcohol and tobacco</b><br>a) Tobacco screening<br>b) Tobacco brief advice<br>c) Tobacco referral and medication offer<br>d) Alcohol screening<br>e) Alcohol brief advice or referral        | Partially Achieved<br>Achieved<br>Partially Achieved<br>Achieved<br>Achieved |

<sup>1</sup> NHS Sheffield CCG has verified this part of the CQUIN as being achieved

Further details of the agreed goals for 2018/19 and for the following 12-month period are available electronically at <http://shsc.nhs.uk/about-us/corporate-information/publications/>

### **Registration with the Care Quality Commission (CQC)**

Sheffield Health and Social Care NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is registered with conditions. The Trust has the following conditions on registration:

- The Registered Provider must only accommodate a maximum of 12 service users at Wainwright Crescent.
- The Registered Provider must only accommodate a maximum of 60 service users at Woodland View.

The Care Quality Commission has not taken enforcement action against SHSC during 2018/19. The Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

During 2018/19 the CQC published its Local Systems Review of Sheffield, which looked at how people move between health and social care, including delayed transfers of care. The review focussed on people aged over 65 years and included a review of commissioning across the interface and the governance of resources. The review did not specifically include mental health or specialist commissioning services, but looked at the experiences of people living with dementia moving through the system. As the Trust provides services for people over 65 years, including Dementia services, it was a contributor to the review.

### **Well-led inspection**

In October 2018 the CQC published its findings from the well-led inspection of the Trust that took place between May and July 2018. The Trust was assessed against the five key questions, 'Is it safe, effective, caring, response and well-led?'

They inspected the following mental health and learning disability services that we are registered to provide:

- Acute wards for adults of working age and psychiatric intensive care unit;
- Long stay/rehabilitation mental health wards for working age adults;
- Forensic inpatient / secure wards;
- Wards for older people with mental health problems;
- Wards for people with a learning disability or autism;
- Community-based mental health services for adults of working age;
- Mental health crisis services and health based places of safety;
- Community-based mental health services for older people.

Overall the CQC assessed our Trust as 'Requires Improvement', with 'Good' achieved in three of the key questions for effectiveness, caring and responsive. Our previous inspection (November 2016) rating was 'Good' overall, with 'Requires Improvement' in one key question for safety.



### Overall Trust rating from the last inspection

| Inspection area of focus    | Rating                      |
|-----------------------------|-----------------------------|
| Safety                      | Requires Improvement        |
| Caring                      | Good                        |
| Responsiveness              | Good                        |
| Effectiveness               | Good                        |
| Well Led                    | Requires Improvement        |
| <b>Overall Trust Rating</b> | <b>Requires Improvement</b> |

The inspectors found many areas of good practice, but they also identified areas we need to improve. We are confident that we will continue to improve services and will work with staff, service users, carers, volunteers and Governors to address the areas where standards were not as expected.

### Our action plan

We have taken the following actions to address the areas for improvement highlighted by the CQC:

- We have developed action plans with each sub-action with a target date for completion
- We have taken action in the meantime to mitigate any risk whilst actions that take time to complete, for example where adjustments to premises are required
- Any areas that were identified for immediate action have been addressed
- Introduced a robust monitoring and governance process to ensure there is clear oversight whilst actions progress

Wainwright Crescent respite service was inspected in November 2018 as part of the CQC's social care inspection regime and was rated as 'Good' overall and 'Good' for all five key questions. This is an improvement from the previous inspection (carried out in September 2017) when the service was rated as 'Requires Improvement' overall, with 'Requires Improvement' for the key questions for safety and well-led.

### Mental Health Act Reviews

During 2018/19 the CQC has undertaken 8 visits to services to inspect how we deliver care and treatment for inpatients detained under the Mental Health Act. The services they visited this year were:

- Michael Carlisle Centre: Stanage Ward, Burbage Ward
- Longley Centre: Maple Ward
- Forest Close: Bungalow 1a
- Forest Lodge: Rehabilitation Ward, Assessment Ward
- Assessment and Treatment Unit (Firshill Rise)
- Grenoside Grange: G1 Ward

### Data Quality

Sheffield Health and Social Care NHS Foundation Trust did not submit records during 2018/19 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics.

The Trust submitted data to the Mental Health Services Data Set (MHSDS). The latest published data regarding data quality under the mental health minimum data set is for December 2018.

The Trust's performance on data quality compares well to national averages and is summarised as follows:

| Percentage of valid records   | Data quality 2017/18 | Data quality 2018/19 | National average |
|---|----------------------|----------------------|------------------|
| NHS Number  | 100%                 | 100%                 | 99%              |
| Date of birth   | 100%                 | 100%                 | 100%             |
| Gender  | 100%                 | 100%                 | 100%             |
| Ethnicity   | 88.7%                | 86%                  | 91%              |
| Postcode  | 100%                 | 100%                 | 98%              |
| GP Code   | 98.0%                | 99%                  | 100%             |
| Overall Score   | N/A                  | 97.4%                | 98%              |
| The Trust data is for the end of Q2 and comparative data is from the published MHSDS Reports for September 2018 |                      |                      |                  |

Source: NHS Digital, Digital Quality Maturity Index

### Information Governance

We aim to deliver best practice standards in Information Governance by ensuring that information is dealt with legally, securely and effectively in order to deliver the best possible care to our service users. This year has seen the introduction of the Data Security and Protection Toolkit, which has replaced the former Information Governance Toolkit.

The Trust's overall rating for is "Standards not fully met (Plan Agreed)".

Below are the Trust's previous years' scores against the Information Governance Toolkit, together with the Data Security and Protection Toolkit scores for 2018/19.

| Information Governance Assessment framework - criteria | 2016/17 | 2017/18 |
|--|---------|---------|
| Information Governance Management                      | 66%     | 66%     |
| Confidentiality and Data Protection Assurance          | 70%     | 74%     |
| Information Security Assurance                         | 66%     | 66%     |
| Clinical Information Assurance                         | 66%     | 66%     |
| Secondary Use Assurance                                | 70%     | 70%     |
| Corporate Information Assurance                        | 66%     | 66%     |
| Overall  | 68%     | 68%     |

Source: NHS Digital, Information Governance Toolkit Results Report

| <b>Data Security and protection Toolkit – National Data Guardian Standards</b> | <b>2018/19</b>      |
|--|---------------------|
| Personal Confidential Data   | 88% Complete        |
| Staff Responsibilities   | 100% Complete       |
| Training   | 100% Complete       |
| Managing Data Access   | 100% Complete       |
| Process Reviews  | 100% Complete       |
| Responding to Incidents  | 100% Complete       |
| Continuity Planning  | 50% Complete        |
| Unsupported Systems  | 100% Complete       |
| IT Protection  | 67% Complete        |
| Accountable Suppliers  | 100% Complete       |
| <b>Overall</b>   | <b>94% Complete</b> |

Source: NHS Digital, Data Security and Protection Toolkit Assessment Results

### **Clinical Coding**

Sheffield Health and Social Care NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during 2018/19 by the Audit Commission.

### **Learning from Deaths**

During 2018/19 670 of Sheffield Health and Social Care NHS Foundation Trust's patients died. This comprised the following number of deaths which occurred in each quarter of the reporting period.

|                              | <b>Quarter 1</b> | <b>Quarter 2</b> | <b>Quarter 3</b> | <b>Quarter 4</b> |
|------------------------------|------------------|------------------|------------------|------------------|
| <b>No. of Deaths 2017/18</b> | 190              | 135              | 185              | 203              |
| <b>No. of Deaths 2018/19</b> | 177              | 144              | 172              | 177              |

All patients whose patient records are recorded on our Insight system and had contact with any of our services within six months of the date of death, have been included in the figures above.

By 31 March 2019, 295 case record reviews and 49 investigations had been carried out in relation to 344 of the deaths included in the table above. In 2 cases a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out is provided in the table below.

| <b>2017/18</b>  | <b>Quarter 1</b> | <b>Quarter 2</b> | <b>Quarter 3</b> | <b>Quarter 4</b> |
|---|------------------|------------------|------------------|------------------|
| <b>No. of Deaths reported above subject to review/ case record review</b>               | 77               | 63               | 57               | 71               |
| <b>No. of Deaths reported above subject to serious incident investigation processes</b> | 14               | 15               | 13               | 12               |
| <b>2018/19</b>  | <b>Quarter 1</b> | <b>Quarter 2</b> | <b>Quarter 3</b> | <b>Quarter 4</b> |
| <b>No. of Deaths reported above subject to review/ case record review</b>               | 75               | 53               | 77               | 90               |
| <b>No. of Deaths reported above subject to serious incident investigation processes</b> | 8                | 14               | 15               | 10               |

The table above provides information on the number of case record reviews that have been undertaken as part of our Mortality Review Group, together with numbers of Structured Judgement Reviews and investigations that have been carried out within the reporting period.

*Note: There have been no reviews completed within the reporting period for deaths occurring outside of the reporting period.*

0 representing 0% of the patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient. The table below provides the breakdown of these cases per quarter.

| <b>2017/18</b>            | <b>Quarter 1</b> | <b>Quarter 2</b> | <b>Quarter 3</b> | <b>Quarter 4</b> |
|---------------------------|------------------|------------------|------------------|------------------|
| <b>No. of Deaths</b>      | 0                | 1                | 0                | 0                |
| <b>As % of all deaths</b> | 0%               | 0%*              | 0%               | 0%               |
| <b>2018/19</b>            | <b>Quarter 1</b> | <b>Quarter 2</b> | <b>Quarter 3</b> | <b>Quarter 4</b> |
| <b>No. of Deaths</b>      | 0                | 0                | 0                | 0                |
| <b>As % of all deaths</b> | 0%               | 0%               | 0%               | 0%               |

From the case record reviews we have undertaken this year, we have found one example of very poor care that we have subsequently reviewed more thoroughly. This case involved a service user's records lacking narrative detail around clinical decision making, involving their referral to our services, our triage processes and discharge back to the individual's GP. Whilst the individual had a range of complex physical health problems, which ultimately led to their death, we believe that there was a missed opportunity for our services to fully engage with them, prior to their death. The learning from this case has been shared with the teams involved and through the Trust's Service User Safety Group.

We have also identified 50 actions, as part of our serious incident investigations, that are likely to result in improvements in practice. These actions are reported within our quarterly incident management reports and published on our website.

\*1 death in 713 deaths (equivalent to 0.001403%)



## Part 2(c): Reporting against Core Indicators


The Trust considers that the data provided earlier within this report and below is as described for the following reasons:

External Auditors have tested the accuracy of the data and our systems used to report our performance on the following indicators:

- Early Intervention in Psychosis (EIP): people experiencing a first episode of psychosis treated with a National Institute for Health and Care Excellence (NICE)-approved care package within two weeks of referral
- Improving Access to Psychological Therapies (IAPT): waiting time to begin treatment (from IAPT minimum dataset): within six weeks of referral
- Mortality data.

As with previous years, the audit has confirmed the validity and accuracy of the data used within the Trust to monitor, assess and report our performance. The Trust will continue to monitor and take corrective action where targets are not met to improve the quality of its services.

| MENTAL HEALTH SERVICES  | This year's target  | How did we do? |         |                   |   |
|---|---|----------------|---------|-------------------|---|
|   |   | 2016/17        | 2017/18 | This year 2018/19 |   |
| <b>7 day follow up</b><br>Everyone discharged from hospital on CPA should receive support at home within 7 days of being discharged | People on CPA (1)<br><br>95% of patients on CPA to be followed up in 7 days | 96.9%          | 94.5%   | 92.6%             | <br><b>Part year</b> |
| <i>Comparators ( note 1): National average</i>  |   | 96.7%          | 96.1%   |                   |   |
| <i>Best performing</i>  |   | 99.4%          | 99.4%   |                   |   |
| <i>Lowest performing</i>  |   | 77.8%          | 79.9%   |                   |   |
| Service users discharged from hospital not on CPA should receive support at home within 7 days of being discharged                  | People not on CPA (1)   | 92.2%          | 88.8%   | 86%               |   |
| All service users discharged from hospital should receive support at home within 7 days of being discharged                         | All discharges  | 94.3%          | 90.3%   | 89%               |   |
| <b>'Gate keeping'</b><br>Everyone admitted to hospital is assessed and considered for home treatment                                | 95% of admissions to be gate-kept   | 99.8%          | 99.2%   | 98.5%             |                      |
| <i>Comparators: National average</i>  |   | 98.5%          | 98.6%   |                   |   |
| <i>Best performing</i>  |   | 100%           | 100%    |                   |   |
| <i>Lowest performing</i>  |   | 92%            | 93.8%   |                   |   |

|  |   |   |  |  |   |
|--|---|---|--|--|---|
| <b>Emergency re-admissions:</b><br>Percentage of service users discharged from acute inpatient wards who are admitted within 28 days.  | 5%<br>National benchmark<br>Average is 9% | 6.4%  | 3.9%   | 4.1%   |  |
| <b>Community Mental Health Services Experience:</b><br>Percentage of service users' experience of contact with a health or social care worker.<br>Q. In the last 12 months, do you feel you have seen NHS mental health services often enough for your needs?  | N/A                                       | <b>2016 Survey</b><br><br>6.1/10  | <b>2017 Survey</b><br><br>5.5/10                                       | <b>2018 Survey</b><br><br>5.7/10   | About the same as other Trusts  |
| <i>Best performing</i>   |   | 7.0/10  | 7.1/10   | 6.8/10   |   |
| <i>Lowest performing</i>   |   | 4.9/10  | 4.4/10   | 4.1/10   |   |
| Q. Overall in the last 12 months, did you feel that you were treated with respect and dignity by NHS mental health services?   | N/A                                       | 8.3/10  | 8.2/10   | 8.0/10   | About the same as other Trusts  |
| <i>Best performing</i>   |   | 8.9/10  | 8.2/10   | 8.9/10   |   |
| <i>Lowest performing</i>   |   | 7.7/10  | 7.4/10   | 7.6/10   |   |
| <b>Patient Safety Incidents:</b><br>Number of patient safety incidents reported to NRLS (note 2)<br><br>Rate of patient safety incidents per 1000 bed days<br><br>Number of patient safety incidents resulting in severe harm or death<br><br>Percentage of patient safety incidents resulting in severe harm or death | N/A                                       | <b>2016/17</b><br><br>3791 (note 4)<br><br>68.4<br><br>35 (note 4)<br><br>0.92% | <b>2017/18</b><br><br>3989 (note 4)<br><br>76.4<br><br>37<br><br>0.93% | <b>2018/19</b><br><br>1828 (note 3)<br><br>69.7 (note 3)<br><br>16 (note 3, 4)<br><br>0.88% (note 3) | National % of patient safety incidents resulting in severe harm or death is 1.1%    |

*Information source: Insight, NRLS, Ulysses, CQC Community Mental Health Survey results. Comparative information from Health and Social Care Information Centre, NHS Digital, NRLS and NHS England.*

*Note 1: Quality Account guidance states that all discharges from inpatient areas should be classified as being on CPA. Therefore all discharges have been included for calculating 7 day follow-up. This has previously only been reported for those people on CPA.*

*Note 2: The NRLS is the National Reporting Learning System, a comprehensive database set up by the former National Patient Safety Agency that captures patient safety information.*

*Note 3: Information reported only covers the first 6 months of 2018/19.*

*Note 4: Data previously reported using Ulysses information, now reported using NRLS data so different from previous Quality Reports.*

## Part 3: Other Quality Information

### 3.1 Safety Indicators

#### Patient Safety Incidents

##### Self-harm and suicide incidents

The risk of self-harm or suicide is always a serious concern for mental health and substance misuse services. The Trust has historically been below national averages for this type of incident reporting. The latest NRLS figures show 10% of all patient safety incidents reported by the Trust were related to self-harm, in comparison with 23% for mental health trusts nationally. Our self-harm incidents for the last three years are summarised in the table below:

| <b>Proportion of incidents due to Self-harm/Suicide</b> | <b>Number of incidents reported</b> | <b>Our Incidents as a % of all our incidents</b> | <b>National Incidents as a % of all incidents</b> |
|---|-------------------------------------|--|---|
| Apr 15 – Sept 15  | 280                                 | 14.1%  | 20.9%   |
| Oct 15 – Mar 16   | 246                                 | 12.5%  | 22.2%   |
| Apr 16 – Sept 16  | 313                                 | 13.8%  | 22.0%   |
| Oct 16 – Mar 17   | 158                                 | 10.4%  | 23.4%   |
| Apr 17 – Sept 17  | 243                                 | 11.4%  | 21.8%   |
| Oct 17 – Mar 18   | 239                                 | 12.9%  | 23.8%   |
| Apr 18 – Sept 18  | 189                                 | 10.3%  | 23.2%   |
| <i>Source: National Reporting Learning System</i>       |                                     |  |   |

##### Disruptive, aggressive behaviour incidents

As a Trust we take disruptive, aggressive behaviour extremely seriously and encourage our staff to report any such occurrences of this. Our RESPECT programme has also affirmed the need to report this kind of unwanted behaviour. We remain a high reporter of this type of incident, compared to other mental health trusts nationally. From the disruptive, aggressive behaviour incidents reported since 1 April 2018, 18.2% of the 26.7% reported in this category were due to physical aggression. It should be noted that over 95% of all incidents reported by the Trust resulted in 'no' or 'low' harm. A number of measures have been taken by the Trust to improve safety and to reduce incidences of assault, including the introduction of body worn cameras and the presence of security staff. Our disruptive, aggressive behaviour incidents for the last three years are summarised in the table below:

| <b>Proportion of incidents due to Disruptive Behaviour</b> | <b>Number of incidents reported</b> | <b>Our Incidents as a % of all our incidents</b> | <b>National Incidents as a % of all incidents</b> |
|--|-------------------------------------|--|---|
| Apr 15 – Sept 15   | 423                                 | 21.3%  | 15.3%   |
| Oct 15 – Mar 16  | 401                                 | 20.3%  | 15.1%   |
| Apr 16 – Sept 16   | 556                                 | 24.5%  | 14.4%   |
| Oct 16 – Mar 17  | 353                                 | 23.2%  | 13.2%   |
| Apr 17 – Sept 17   | 511                                 | 24.0%  | 13.0%   |
| Oct 17 – Mar 18  | 505                                 | 27.2%  | 13.0%   |
| Apr 18 – Sept 18   | 488                                 | 26.7%  | 12.4%   |
| <i>Source: National Reporting Learning System</i>          |                                     |  |   |



## Medication errors and near miss incidents

Medicines safety is everyone's business and it is essential that people obtain the best possible outcomes from their medicines. The safety of medicines can be a continual challenge. It is crucial that the Trust understands why these medicines incidents occur; why they occur when they do and what actions can be taken in order to reduce the impact and reoccurrence of such incidents. Staff are encouraged to report near misses and errors to make sure that we are able to learn and make our systems as safe and effective as possible. Our medication incidents for last three years are summarised in the table below:

| <b>Proportion of incidents due to medication errors</b> | <b>Number of incidents reported</b> | <b>Our incidents as a % of all our incidents</b> | <b>National Incidents as a % of all incidents</b> |
|---|-------------------------------------|--|---|
| Apr 15 – Sept 15  | 161                                 | 8.1%   | 8.6%  |
| Oct 15 – Mar 16   | 241                                 | 12.2%  | 8.4%  |
| Apr 16 – Sept 16  | 228                                 | 10.1%  | 8.5%  |
| Oct 16 – Mar 17   | 181                                 | 11.9%  | 8.5%  |
| Apr 17 – Sept 17  | 198                                 | 9.3%   | 7.9%  |
| Oct 17 – Mar 18   | 180                                 | 9.7%   | 7.8%  |
| Apr 18 – Sept 18  | 208                                 | 11.4%  | 7.7%  |
| <i>Source: National Reporting Learning System</i>       |                                     |  |   |

### **3.2 Clinical Effectiveness Indicators**

As the Trust provides both primary care, in the form of GP practices and IAPT services, as well as secondary care services, ie community, residential and inpatient services, we have selected the three clinical effectiveness indicators below to ensure our Quality Report reflects the breadth of the care we provide to our service users.

#### **Primary Care Quality Outcomes Framework – GP Practices**

The Quality Outcomes Framework (QOF) is one of the main quality indicators of primary care and provides a range of good practice quality standards for the delivery of GP services. The table below shows the achievement against the QOF for this year, in comparison with the previous two years. It should be noted that the Clover Group QOF covers Darnall Primary Care Centre, Highgate Surgery, Jordanthorpe Health Centre and Mulberry Practice.

| <b>Year</b> | <b>Clover Group</b> | <b>City</b> | <b>Heeley Green</b>          | <b>Buchanan Road</b>                    |
|-------------|---------------------|-------------|------------------------------|---|
| 2016/17     | 92.1%               | 86.7%       | Not our service at this time | 88.1% but not our service at this time  |
| 2017/18     | 92.4%               | 91.4%       | 93.6%                        | 90.6% but not our service at this point |
| 2018/19     | 90.6%               | 92%         | 95.2%                        | 92.6%                                   |

*Source: NHS Digital*

## Accessing Substance Misuse Services

The four commissioned services continue to prioritise ensuring timely access to primary and secondary care treatment.

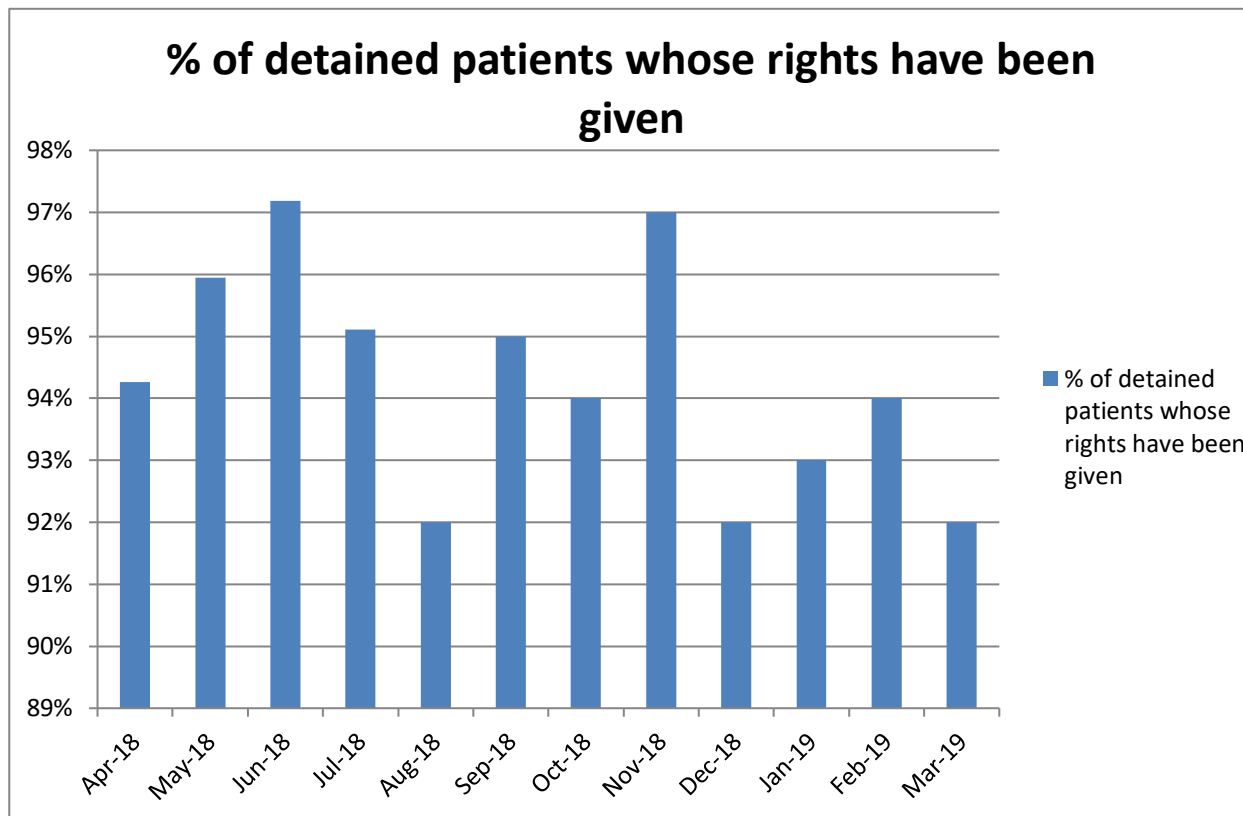
The service aims to ensure all of Sheffield's population that would benefit from the range of services provided in drug and alcohol treatment are able to access support. The service adopts a range of approaches to engage with people from this vulnerable service user group.

| <b>Drug and Alcohol Services Waiting Times</b>                                   | <b>This year's target</b> | <b>2016/17</b>                  | <b>2017/18</b> | <b>2018/19</b> |
|--|---------------------------|---------------------------------|----------------|----------------|
| <b>Opiates Service</b>   |                           |                                 |                |                |
| Referral to booked assessment within 7 days (local monitoring)                   | N/A                       | New service targets established | 99.7%          | 99.2%          |
| Referral to start of Tier 3 treatment within 21 days (local and National target) | 95%                       |                                 | 100%           | 99.9%          |
| <b>Non-Opiates Service</b>   |                           |                                 |                |                |
| Referral to booked assessment within 7 days (local monitoring)                   | N/A                       | New service targets established | 96.9%          | 98%            |
| Referral to start of Tier 3 treatment within 21 days (local and National target) | 95%                       |                                 | 99%            | 96.7%          |
| <b>Alcohol Service</b>   |                           |                                 |                |                |
| Referral to booked assessment within 7 days (local monitoring)                   | N/A                       | New service targets established | 100%           | 100%           |
| Referral to start of Tier 3 treatment within 21 days (local and National target) | 95%                       |                                 | 100%           | 100%           |


Source: National Drug Treatment Monitoring System and local performance data


## Mental Health Act Compliance

Many service users within Trust services are subject to the Mental Health Act. It is imperative, therefore, for the Trust to ensure service user rights are protected and are aware of their rights under the Act. The trust undertakes weekly audits within all inpatient areas to ensure service user rights are protected and our practice is in line with legislation. The graph below shows the percentages of detained patients whose rights have been given.



## Mental Health Service Indicators

| MENTAL HEALTH SERVICES  | This year's target                 | 2016/17   | 2017/18   | This year 2018/19                               |   |
|---|------------------------------------|---|---|---|---|
| <b>Early intervention</b><br><br>People should have access to early intervention services when experiencing a first episode of psychosis. The national target is to ensure we see at least 95% of the intended new clients.<br><br>Start treatment within 2 weeks of referral | 75 new clients per year<br><br>53% | 270 new clients accessing services<br><br>54.9% | 238 new clients accessing services<br><br>48.3% | 179 new clients accessing services<br><br>74.6% |  |

|  |        |            |            |            |   |
|--|--------|------------|------------|------------|---|
| <b>Cardio-metabolic assessment and treatment for people with psychosis</b> |        |            |            |            |   |
| a) inpatient wards   | 90%    | 86%        | 100%       | 60%        | <b>Part Achieved</b>  |
| b) early intervention in psychosis services                                | 90%    | 7%         | 11%        | 30%        |   |
| c) community mental health services (people on care programme approach)    | 65%    | 16%        | 57%        | 16%        |   |
| <b>Improving Access to Psychological Therapies</b>                         |        |            |            |            |   |
| a) Proportion of people completing treatment who move to recovery          | 12,000 | 12,966     | 12,753     | 13,585     |  |
| b) Waiting time to begin treatment   |        |            |            |            |   |
| i. Within 6 weeks of referral  | 75%    | 90.1% (Q4) | 90.5% (Q4) | 90.3% (Q4) |   |
| ii. Within 18 weeks of referral  | 95%    | 99.3% (Q4) | 99.2% (Q4) | 98.5% (Q4) |   |

*Information source: Insight and Trust internal clinical information systems. Comparative information from Health and Social Care Information Centre and NHS Digital.*

### 3.3 Experience Indicators

#### a) Service User Friends and Family Test

The tables below shows the results from the service user Friends and Family Test this year, compared to the previous two years.

| <b>Service User Friends and Family Test Results 1 April 2016 – 31 March 2019</b> |            |            |            |            |            |            |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>April 2016-March 2017</b>   | <b>Apr</b> | <b>May</b> | <b>Jun</b> | <b>Jul</b> | <b>Aug</b> | <b>Sep</b> | <b>Oct</b> | <b>Nov</b> | <b>Dec</b> | <b>Jan</b> | <b>Feb</b> | <b>Mar</b> |
| % of Trust service users who would recommend the service they received           | 93         | 93         | 95         | 96         | 99         | 95         | 95         | 98         | 96         | 99         | 91         | 97         |
| National average for mental health trusts <sup>(1)</sup>                         | 87         | 87         | 87         | 87         | 88         | 87         | 88         | 88         | 86         | 88         | 88         | 89         |

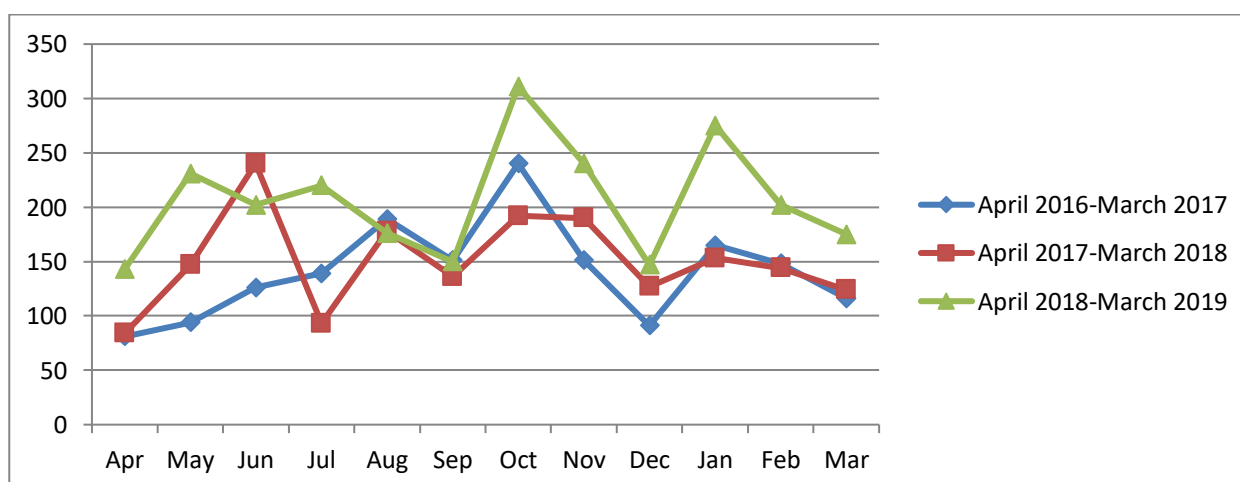
| <b>April 2017-<br/>March 2018</b>                                      | <b>Apr</b> | <b>May</b> | <b>Jun</b> | <b>Jul</b> | <b>Aug</b> | <b>Sep</b> | <b>Oct</b> | <b>Nov</b> | <b>Dec</b> | <b>Jan</b> | <b>Feb</b> | <b>Mar</b>        |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------------|
| % of Trust service users who would recommend the service they received | 96         | 98         | 97         | 100        | 97         | 98         | 96         | 94         | 94         | 95         | 97         | 95                |
| National average for mental health trusts <sup>(1)</sup>               | 89         | 89         | 88         | 89         | 88         | 89         | 88         | 88         | 88         | 89         | 89         | 89                |
| <b>April 2018-<br/>March 2019</b>                                      | <b>Apr</b> | <b>May</b> | <b>Jun</b> | <b>Jul</b> | <b>Aug</b> | <b>Sep</b> | <b>Oct</b> | <b>Nov</b> | <b>Dec</b> | <b>Jan</b> | <b>Feb</b> | <b>Mar</b>        |
| % of Trust service users who would recommend the service they received | 96         | 97         | 95         | 93         | 95         | 94         | 99         | 95         | 95         | 93         | 90         | 92                |
| National average for mental health trusts <sup>(1)</sup>               | 89         | 89         | 89         | 89         | 90         | 90         | 90         | 89         | 89         | 90         | 89         | Not yet available |

Source: NHS England, Friends and family test data reports

<sup>(1)</sup> NHS England FFT results should not be used to directly compare providers, the national averages are provided for information purposes only

The Trust continues to achieve above the national average of service users who would recommend our services to family or friends. Work continues on increasing the number of services that actively use the Friends and Family Test and the number of individuals who undertake the survey. The graph below shows a positive upward trend in the number of responses since April 2016.

#### Service User Friends and Family Test – No. of Responses 1 April 2016 – 31 March 2019



Source: NHS England, Friends and family test data reports

## b) National Community Mental Health Survey

The table below shows the Trust's scores for the national Community Mental Health survey for this year, compared with the previous two years.

| MENTAL HEALTH SURVEY                                  | 2016 Survey            | 2017 Survey | 2018 Survey |                                      |
|---|------------------------|-------------|-------------|--------------------------------------|
| What did service users feel and experience regarding: | Service User responses |             |             | How did we compare with other Trusts |
| Their Health and Social Care workers                  | 7.6 / 10               | 7.5 / 10    | 7.2/10      | About the same                       |
| The way their care was organised                      | 8.3 / 10               | 7.8 / 10    | 8.1/10      | About the same                       |
| The planning of their care                            | 6.9 / 10               | 6.7 / 10    | 6.9/10      | About the same                       |
| Reviewing their care                                  | 6.9 / 10               | 6.7 / 10    | 6.8/10      | About the same                       |
| Changes in who they saw                               | 6.0 / 10               | 5.8 / 10    | 6.4/10      | About the same                       |
| Crisis care   | 5.8 / 10               | 5.5 / 10    | 6.5/10      | About the same                       |
| Medicines   | New section for 2018   |             | 7.1/10      | About the same                       |
| Treatments  | 7.3 / 10               | 7.3 / 10    | 7.3/10      | About the same                       |
| Support and wellbeing                                 | 4.9 / 10               | 4.7 / 10    | 4.3/10      | About the same                       |
| Overall views of care and services                    | 7.2/10                 | 6.9 / 10    | 6.9/10      | About the same                       |
| Overall experiences                                   | 6.9 / 10               | 6.6 / 10    | 6.6/10      | About the same                       |

Source: CQC Community Mental Health Survey Reports

The 2018 survey results above show a slight improvement across some of the sections of the survey, with others staying the same and two sections declining. The two areas where the Trust's results declined from the 2017 survey are 'health and social care workers' and 'support and wellbeing'. National results in these sections showed the highest scoring trust achieving 7.7 out of 10 (health and social care workers) and the lowest scoring 5.9. For the support and wellbeing section, the highest trust scored 5.5 out of 10 and the lowest scored 3.3. SHSC scored 'about the same' as all other mental health trusts in all questions across each section. While this offers some assurance about the quality of the services we provide, we want to do better than this. We want the experience of our service users to be really positive and amongst the best in the country. The Trust will continue to maintain and improve our position regarding the quality of our services.

## c) National NHS Staff Survey

The national NHS staff survey results this year have been reported based on themes, whereas previously results were reported against 'key findings'. Results below are therefore only shown in comparison to the previous year's results (2017). The Trust's results have not changed significantly since the 2017 staff survey, except in one area (immediate managers) where the score has improved. 'Morale' is a new section introduced in the 2018 survey, so there are no previous results for comparison in this area.

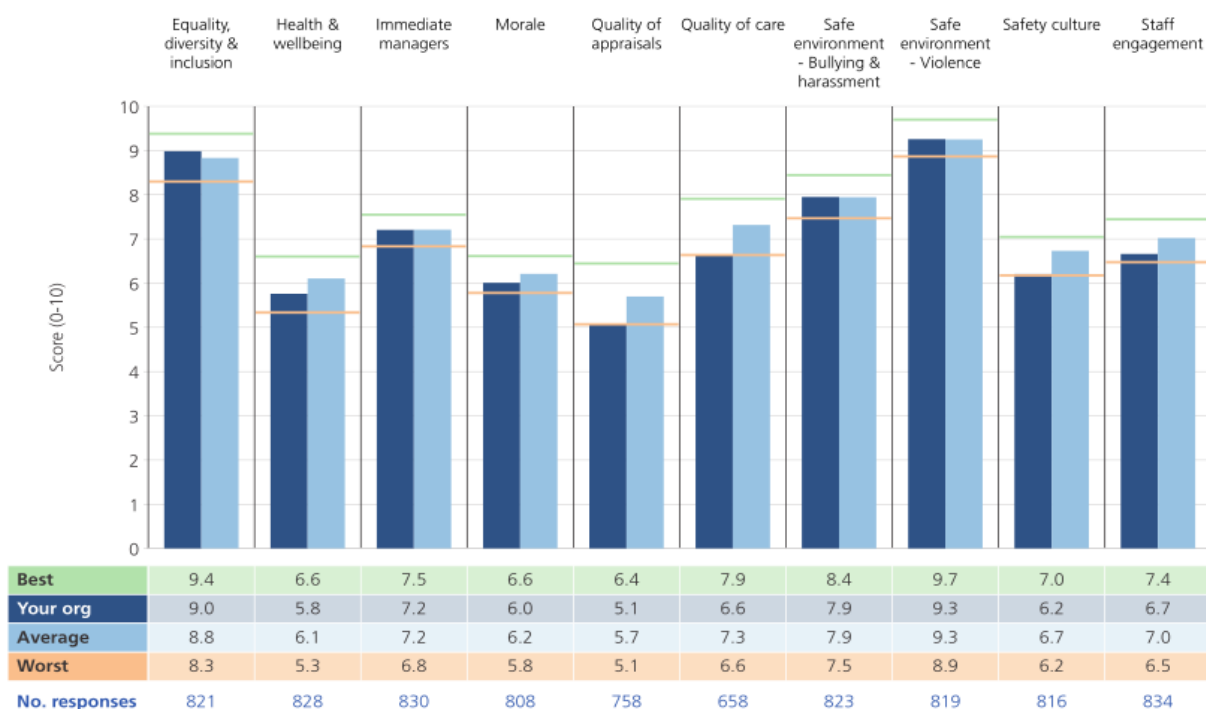
The Trust scores 'above or average' in four survey sections and below average in six sections. Whilst these scores are comparable with the previous year's survey, we remain concerned by these results and have commenced a number of workstreams to engage our staff in order for us to gain a greater understanding of this. Listening into Action is a new way of working that the Trust is adopting which is clinically led from the frontline. It is an evidence-based, simple way to empower staff and teams to take immediate, local actions which make a real difference for staff, service users and carers, with the backing of senior leaders. The Trust believes this will help us make the changes we need to make SHSC a better place to work and receive care.

## 2018 National Staff Survey Theme Results – Significance Test

| Theme                                    | 2017 score | 2017 respondents | 2018 score | 2018 respondents | Statistically significant change? |
|--|------------|------------------|------------|------------------|-----------------------------------|
| Equality, diversity & inclusion          | 8.8        | 817              | 9.0        | 821              | Not significant                   |
| Health & wellbeing                       | 5.7        | 820              | 5.8        | 828              | Not significant                   |
| Immediate managers                       | 7.0        | 823              | 7.2        | 830              | ↑                                 |
| Morale                                   |            | 0                | 6.0        | 808              | N/A                               |
| Quality of appraisals                    | 4.9        | 755              | 5.1        | 758              | Not significant                   |
| Quality of care                          | 6.8        | 667              | 6.6        | 658              | Not significant                   |
| Safe environment - Bullying & harassment | 7.9        | 814              | 7.9        | 823              | Not significant                   |
| Safe environment - Violence              | 9.1        | 816              | 9.3        | 819              | Not significant                   |
| Safety culture                           | 6.3        | 821              | 6.2        | 816              | Not significant                   |
| Staff engagement                         | 6.6        | 830              | 6.7        | 834              | Not significant                   |

Source: NHS England National Staff Survey Benchmark Report 2018

## 2018 National Staff Survey Theme Results Overview



Source: NHS England National Staff Survey Benchmark Report 2018

## **ANNEXE A**

### **Statements from local networks, overview and scrutiny committees and Clinical Commissioning Groups**

#### **Healthwatch Sheffield Statement**

“Thank you for inviting us to comment on this year's Quality Account. We are pleased to have built on our constructive relationship with the Trust this year. The version of the Account we received lacked some figures, which made it difficult to provide a thorough response.

We were pleased to read about the activities you have carried out relating to the quality objectives set for 2018/19, however we really want to understand the impact of the activity – the difference you have made to outcomes for patients and carers.

Regarding the objectives for 2019/20, we note that these are the same as the previous two years. It would be helpful to understand how your plans fit into what is clearly a multi-year approach, with clarity about what you plan to achieve by when, so that progress can be meaningfully measured over this longer time frame.

We recommend that in preparing your objectives for 2020/21, you review whether this multi-year approach is effective or whether setting more specific objectives that are achievable within an annual cycle might help to focus your efforts and provide greater insight into what has been achieved.

It's positive that the percentage of service users who would recommend the Trust to family and friends continues to be above the national average. It's also positive that waiting time targets for drug and alcohol services continue to be met, and that IAPT provision continues to be a strength, with the Trust exceeding national access standards.

However, the quality account raises some concerns that may require a fuller explanation. The percentage of detained patients who were given their rights under the Mental Health Act is 92-97% for each month. Lay readers may struggle to understand why every patient would not be given their rights. Additionally, the number of incidents of medication errors has not improved since last year, and this seems to be an area where you could explain more fully how you are applying the learning from incidents to prevent similar errors being made in the future.

As with last year, we encourage you to include a narrative explaining progress against the CQUIN programme, especially those that were not achieved or partially achieved. This would help to develop a shared understanding between the Trust and lay people reading this report.

We support the Trust's open response to the CQC well-led inspection and how the findings have been used to inform the quality plan for 2019/20. We are particularly concerned that the 'safety' domain received a rating of 'requires improvement' and this correlates with results from the staff survey, where 'safety culture' falls below the national average.

We hope that the Listening into Action scheme will support greater staff engagement and hope this will be reflected in next year's staff survey.



In considering whether your account reflects the experiences shared with us by service users and their families, we support the Trust's focus on improving experience of the Single Point of Access (SPA). Initial teething problems have been addressed which is positive, but we continued to hear from people who felt there was a lack of appropriate care and communication when they contacted the SPA, particularly in a crisis.

Access to the right services at the right time for all services is consistently raised with us as a priority for local people and this year we have made formal recommendations to the Trust on this issue. We have also made formal recommendations about simplifying referral processes and the information made available to people about when and how they can access services, and what support is available while they are waiting.

We fully support the Trust's focus on 'developing sustainable community care systems that deliver quality care and experiences'. And, in particular, improvements in urgent and crisis care provision, as we know that people do not always find crisis responses to be timely or adequate.

We will continue to contribute the experiences shared with us with the Trust directly and with the multi-agency Crisis Care Concordat Implementation Group.

We are really pleased to see the Trust's use of Care Opinion develop and we hope to see this embedded as business as usual, as well as being used creatively in areas that you are focusing on for improvement.

We thank the Trust for your work this year and look forward to continue to work with you in the year ahead."

*Chief Officer  
Healthwatch Sheffield  
21<sup>st</sup> May 2019*

## **Our response**

We welcome the response from Healthwatch and look forward to continuing our work with them next year. We aim to build on the feedback received to ensure that future Quality Reports offer greater accessibility to the public.

## **Sheffield City Council's Healthier Communities and Adult Social Care Scrutiny Committee Statement**

"We'd like to thank the Sheffield Health and Social Care NHS Foundation Trust for inviting us to comment on this year's Quality Account. Thanks also for engaging with us on our work on mental health that we are carrying out with the Children, Young People and Family Support Scrutiny Committee. This work continues, and will report in the coming months.

We are supportive of the priorities that the Trust has chosen, and are pleased to see that clear objectives have been set for each priority – we look forward to hearing of progress against them in next year's Quality Account.

We are commenting on the Quality Account at a time when final data and analysis is not available – so we are unable to take a comprehensive overview of performance – however we are pleased to see the broadly positive results of the 'Friends and Family Test'. We are concerned that the staff survey results indicate that the Trust is underperforming in terms of safety culture, and likewise that patients scored their experience of care low around support and wellbeing in the National Community Mental Health Survey. We'll be looking for improvement next year.

We'd like to finish by thanking the staff at the Trust for their continued hard work in providing such vital services to people in Sheffield."

*Chair*

*Healthier Communities and Adult Social Care Scrutiny Committee*

*13<sup>th</sup> May 2019*

### **Our response**

We welcome the feedback from the Committee and their praise of the hard working efforts of our staff. We look forward to continuing to work with them next year and to share progress of our achievements against our chosen priorities.

## **NHS Sheffield Clinical Commissioning Group Statement**

“NHS Sheffield Clinical Commissioning Group (CCG) commissions Sheffield Health and Social Care NHS Foundation Trust to provide a range of mental health, specialist mental health and learning disability services, in which we seek to continually innovate and improve the quality of services provided by the Trust and the experience of those individuals who access them. We do this by reviewing and assessing the Trust’s performance against a series of key performance and quality indicators as well as evaluating contractual performance via the appropriate governance forums i.e. Contract Management Groups / Board meetings. We work closely with the Care Quality Commission and NHS Improvement, who are regulators of health (and social care) services in England, to ensure that care provided by the Trust meets the regulators requisite standards and that the Trust is well led and is run efficiently.

The CCG has had the opportunity to review and comment on the information contained within this Quality Report prior to its publication and is confident that to the best of our knowledge the information supplied within this report is an accurate and a true record, reflecting the Trust’s performance over the period April 2018 – March 2019.

This Quality Report evidences that the Trust has achieved positive results against most of its key objectives for 2018/19. Where issues relating to clinical quality have been identified, action plans or next steps have been put in place, jointly between our respective organisations to ensure that improvements are made. We will continue to take this approach into 2019/20 and beyond, and monitor these in conjunction with the NHS Standard Contractual terms and conditions. We will continue to build on existing effective and transparent clinical and managerial relationships to proactively address issues relating to clinical quality so that standards of care are maintained whilst services continue to transform and reconfigure to ensure they meet the changing needs of our local population and individuals’ needs.”

*Deputy Chief Nurse  
NHS Sheffield Clinical Commissioning Group  
Senior Quality Manager  
NHS Sheffield Clinical Commissioning Group  
20th May 2019*

### **Our response**

We welcome the response from NHS Sheffield Clinical Commissioning Group and look forward to working with them next year to continue to improve the quality of our services. We will work with the CCG to ensure that standards of care are maintained and meet the changing needs of our local population.

## ANNEXE B

### 2018/19 STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE QUALITY REPORT

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

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

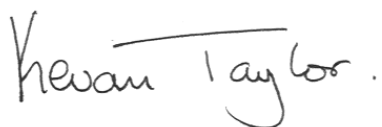
- the content of the Quality Report meets the requirements set out in *the NHS foundation trust annual reporting manual 2018/19* and supporting guidance *Detailed requirements for quality reports 2018/19*
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
  - board minutes and papers for the period April 2018 to May 2019
  - papers relating to quality reported to the board over the period April 2018 to May 2019
  - feedback from commissioners dated 20 May 2019
  - feedback from governors dated 21 November 2018 and 31 January 2019
  - feedback from local Healthwatch organisations dated 21 May 2019
  - feedback from Overview and Scrutiny Committee dated 13 May 2019
  - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated September 2018
  - the latest national patient survey issued in November 2018
  - the latest national staff survey issued in February 2019
  - the Head of Internal Audit's annual opinion of the trust's control environment dated 23 May 2019
  - CQC inspection report dated October 2018
- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered
- the performance information reported in the Quality Report is reliable and accurate
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review
- the Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the quality accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

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

By order of the Board

A handwritten signature in cursive script that reads "Jayne Bram".

Chair                      24 May 2019

A handwritten signature in cursive script that reads "Kevan Taylor".

Chief Executive                      28 May 2019

## **Annexe C**

### **INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF SHEFFIELD HEALTH AND SOCIAL CARE NHS FOUNDATION TRUST ON THE QUALITY REPORT**

We have been engaged by the Council of Governors of Sheffield Health and Social Care NHS Foundation Trust to perform an independent assurance engagement in respect of Sheffield Health and Social Care NHS Foundation Trust's Quality Report for the year ended 31 March 2019 (the 'Quality Report') and certain performance indicators contained therein.

#### **Scope and subject matter**

The indicators for the year ended 31 March 2019 subject to limited assurance consist of the following two national priority indicators:

- early intervention in psychosis (EIP): people experiencing a first episode of psychosis treated with a National Institute for Health and Care Excellence (NICE)-approved care package within two weeks of referral
- improving access to psychological therapies (IAPT): waiting time to begin treatment (from IAPT minimum dataset): within six weeks of referral

We refer to these national priority indicators collectively as the 'indicators'.

#### **Respective responsibilities of the directors and auditors**

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the *Detailed requirements for quality reports for foundation trusts 2018/19* ('the Guidance'); and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- Board minutes and papers for the period April 2018 to May 2019;
- papers relating to quality reported to the board over the period April 2018 to May 2019;
- feedback from commissioners, dated 20 May 2019;
- feedback from governors, dated 21 November 2019 and 31 January 2019;
- feedback from local Healthwatch organisations, dated 21 May 2019;
- feedback from Overview and Scrutiny Committee, dated 13 May 2019;
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;
- the latest national patient survey, dated November 2018;

- the latest national staff survey, dated February 2019;
- Care Quality Commission Inspection, dated October 2018;
- the 2018/19 Head of Internal Audit's annual opinion over the trust's control environment, dated 23 May 2019; and
- any other information included in our review.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Sheffield Health and Social Care NHS Foundation Trust as a body, to assist the Council of Governors in reporting the NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2019, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicator. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Sheffield Health and Social Care NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

### **Assurance work performed**

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicator;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

### **Limitations**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change

over time. It is important to read the quality report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance.

The scope of our assurance work has not included governance over quality or the non-mandated indicator, which was determined locally by Sheffield Health and Social Care NHS Foundation Trust.

### **Conclusion**

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2019:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the Guidance; and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

KPMG LLP

KPMG LLP  
Chartered Accountants  
Leeds

29 May 2019



## **Section 5.0 Auditor's Report**

Independent Auditor's report to the Council of Governors of Sheffield Health and Social Care NHS Foundation Trust only.



# Independent auditor's report

## to the Council of Governors of Sheffield Health and Social Care NHS Foundation Trust

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### 1. Our opinion is unmodified

We have audited the financial statements of Sheffield Health and Social Care NHS Foundation Trust ("the Trust") for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

#### In our opinion:

- the financial statements give a true and fair view of the state of the Trust's affairs as at 31 March 2019 and of its income and expenditure for the year then ended; and
- the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2018/19 and the Department of Health and Social Care Group Accounting Manual 2018/19

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### Overview

**Materiality:** £2m (2017/18:£2m)  
financial statements as a whole 2% (2017/18: 1.7%) of income from operations

#### Risks of material misstatement vs 2017/18

|                 |   |          |
|-----------------|---|----------|
| Recurring risks | Combined risk: Recognition of Income from Activities and Other Operating Income | ◀▶       |
|                 | Valuation of Land and Buildings   | ◀▶       |
|                 | Fraudulent Expenditure Recognition  | New risk |

## 2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows (fraudulent expenditure recognition is a new significant risk in 2018/19):

|  | The risk  | Our response  |
|--|---|---|
| <b>Recognition of Income from Activities and Other Operating Income</b><br><br>(Income from Activities £98.7m; 2017/18: £94.2m)<br><br>(Other Operating income: £29.2m; 2017/18: £30.2m) | <b>2018/19 Income:</b><br><br>The main source of income for the Trust is the provision of healthcare services to the public under contracts with NHS Commissioners, which make up around 70% of operating income.<br><br>Income from NHS England and CCGs is captured through the Agreement of Balances (AoB) exercises performed at months 6, 9 and 12 to confirm amounts received and owed. Mismatches in income and expenditure, and receivables and payables are recognised by the Trust and its counterparties to be resolved. Where mismatches cannot be resolved they can be reclassified as formal disputes.<br><br>In addition to patient care income the Trust also receives a significant proportion (around 25%) from non-patient care activities, principally social care support to people with learning disabilities, education and training, and research and development. Much of this income is generated by contracts with other NHS and non-NHS bodies which are based on varied payment terms, including payment on delivery, milestone payments and periodic payments. Consequently there is a greater risk that income will be recognised on a cash rather than an accruals basis. | Our procedures included:<br><br><b>Tests of detail:</b> We undertook the following tests of detail:<br><br><ul style="list-style-type: none"> <li>— We inspected the information provided by the Trust as part of the 2018/19 AoB exercise to agree that it is consistent with the information in the accounts covering both NHS income and NHS receivables;</li> <li>— We identified any mismatches (both income and receivables) with Commissioners and obtained explanations for the mismatches;</li> <li>— We agreed any disputed NHS income or receivables to documentation which supported the Trust's estimates, including contract documentation and evidence of the achievement of required activity levels or performance measures;</li> <li>— We assessed whether any adjustments to balances agreed with other NHS organisations had been appropriately reflected in the accounts;</li> <li>— We agreed any accrued income balances to supporting documentation to confirm they had been recorded appropriately;</li> <li>— We agree the receipt the Provider Sustainability Fund (PSF) monies, including the basis for agreement of Quarter 4 funding based on relevant financial and performance measures, and confirmed the treatment is in line with guidance from NHS Improvement;</li> <li>— We agreed income recorded in the financial statements to signed contracts and contract variations with Local Authorities and non-government bodies; and</li> <li>— For a sample of invoices raised immediately before and after the balance sheet date, we checked that income had been recognised in the correct financial period.</li> </ul> |

## 2. Key audit matters: our assessment of risks of material misstatement continued

|  | The risk   | Our response   |
|--|--|--|
| <b>Land and Buildings</b><br>(£49.6m; 2017/18: £50.2m) | <p><b>Valuation of Land and Buildings:</b></p> <p>Land and buildings are required to be held at fair value. The Trust's main land and buildings relate to multiple sites across Sheffield.</p> <p>Land and buildings are required to be maintained at up to date estimates of year-end market value in existing use (EUV) for non-specialised property assets in operational use, and, for specialised assets where no market value is readily ascertainable, the depreciated replacement cost (DRC) of a modern equivalent asset that has the same service potential as the existing property. There is a significant judgement involved in determining the appropriate basis (EUV or DRC) for each asset according to the degree of specialisation, as well as over the assumptions made in arriving at the valuation of the asset.</p> <p>In particular the DRC basis of valuation requires an assumption as to whether the replacement asset would be situated on the existing site or, if more appropriate, on an alternative site. Furthermore, DRC is decreased if VAT on replacement costs is deemed to be recoverable. Both of these assumptions can have potentially significant effects on the valuation.</p> <p>Valuations are completed by an external expert engaged by the Trust using construction indices and so accurate records of the current estate are required. Full valuations are completed every five years, with interim desktop valuations completed in interim periods. Valuations are inherently judgemental, therefore our work focused on whether the methodology, assumptions and underlying data, are appropriate and correctly applied.</p> | <p>Our procedures included:</p> <ul style="list-style-type: none"> <li>— <b>Assessing the valuer's credentials:</b> We assessed the competence, capability, objectivity and independence of the Trust's external valuer to carry out the valuation objectively and competently;</li> <li>— <b>Tests of detail:</b> In 2018/19, the Trust requested that their valuer undertake a desktop exercise using relevant indices. As such, no data was provided to the valuer for us to agree back to records and the valuer used their previous knowledge of the Trust and its land and buildings to provide information on expected changes in values. We tested the data provided to the valuer in 2017/18 when a full revaluation was undertaken. We have confirmed that there have been no material changes to land and buildings since then;</li> <li>— <b>Methodology choice:</b> We critically assessed the valuation indices used and the reasonableness of the assumptions used by the valuer to arrive at the final valuations by considering the basis on which these indices had been chosen and alternatives to the assumptions used by the valuer;</li> <li>— <b>Tests of detail:</b> We tested material additions during the year to supporting documentation including invoices;</li> <li>— <b>Tests of detail:</b> We assessed whether the impairments and revaluations had been correctly accounted for in line with applicable accounting standards and the GAM; and</li> <li>— <b>Assessing transparency:</b> We assessed the adequacy of the disclosures about the key judgements and degree of estimation involved in arriving at the valuation and the related sensitivities.</li> </ul> |

## 2. Key audit matters: our assessment of risks of material misstatement continued

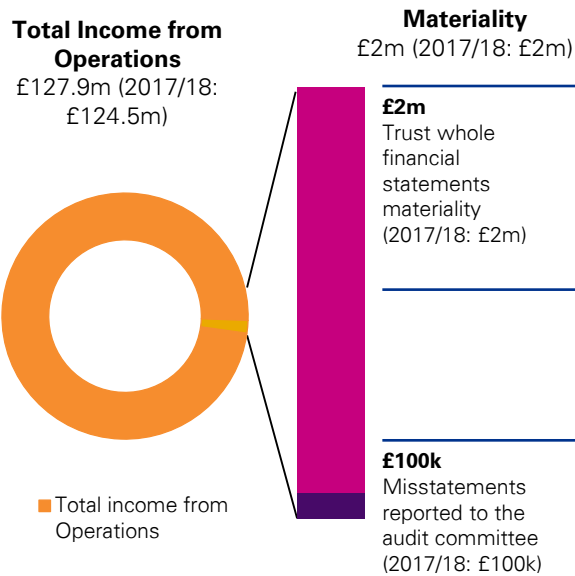
|   | The risk  | Our response   |
|---|---|--|
| <b>Expenditure</b><br><br>(Operating expenses: £114.8m; 17/18: £116m) | <b>Fraudulent Expenditure Recognition</b><br><br>In the public sector, auditors also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period). This may arise due to the audited body manipulating expenditure to meet externally set targets.<br><br>As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may in some cases be greater than the risk of material misstatements due to fraud related to revenue recognition and so the auditor has regard to this when planning and performing audit procedures. | Our procedures included:<br><br><b>Tests of detail:</b> We undertook the following tests of detail: <ul style="list-style-type: none"> <li>– We obtained evidence of the Trust's financial position both during the year and at the year end in order to understand the level of pressure and potential motivations to manipulate the year end outturn;</li> <li>– We tested the functioning of budgetary controls during the year;</li> <li>– We considered whether appropriate segregation of duties was in place between those responsible for monitoring budgets (budget holders) and those preparing the accounts (Finance Team);</li> <li>– We tested that senior staff are not remunerated based upon financial results, nor is the funding made available to the Trust based upon the results presented in the financial statements; and</li> <li>– We sample tested accruals and the cut-off of expenditure to gain evidence that expenditure has been recorded in the correct period.</li> </ul> |

3. Our application of materiality

Materiality for the Trust financial statements as a whole was set at £2 million (2017/18: £2 million), determined with reference to a benchmark of Income from operations (of which it represents approximately 2%). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £100k (2017/18:£100k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Trust was undertaken to the materiality level specified above and was all performed at the Trust’s headquarters in Sheffield



4. We have nothing to report on going concern

The Accounting Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

Our responsibility is to conclude on the appropriateness of the Accounting Officer’s conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor’s report is not a guarantee that the Trust will continue in operation.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements

Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2018/19.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors’ statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust’s position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2018/19, is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

## 6. Respective responsibilities

### Accounting Officer's responsibilities

As explained more fully in the statement set out on page 93, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

### Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

## REPORT ON OTHER LEGAL AND REGULATORY MATTERS

### We have nothing to report on the statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.
- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

### We have nothing to report in respect of our work on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources.

We have nothing to report in this respect.

### Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources .

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 the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether 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. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

### Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

The significant risks identified during our risk assessment are set out overleaf together with the findings from the work we carried out on each area.

| Significant Risk                                      | Description   | Work carried out and judgements  |
|---|---|--|
| <b>Delivery of Cost Improvement Programmes (CIPs)</b> | <p>NHS Trusts and Foundation Trusts submitted financial plans for 2018/19 that in aggregate totalled a £496 million deficit. The achievement of financial balance, whilst maintaining the quality of healthcare provision, is therefore a key objective for all organisations.</p> <p>Forecasts in quarter two suggest a full year NHS provider deficit of £623m, £127m (25%) worse than planned. The Trust has a CIP target of £4.2m for 2018/19. As at Month 7, the Trust is on track having achieved £2.4m of the £2.5m planned to date. The Trust is forecasting a £140k underachievement for the full year. The main reason behind slippage is the timing of schemes starting. The Trust continues to perform well in both the delivery of its CIP targets and control total on an ongoing basis.</p> <p>The sustained financial pressure on the sector however means that the Trust must continue to identify and achieve challenging savings goals to continue to meet these targets. At each year end, the risk therefore increases the Trust will not be able to identify the required level of savings to meet further savings targets.</p> | <p>Our procedures included:</p> <ul style="list-style-type: none"> <li>— <b>Review of the process to achieve recurrent cost savings:</b> Our work focussed on the arrangements in place to deliver recurrent cost improvements. We also reviewed how the shortfall in the planned CIP was managed by the Trust; and</li> <li>— <b>Review of the process for identifying future CIP schemes:</b> We sought evidence that the Trust had in place a process to identifying further CIP schemes to meet future savings targets, including for the 2019/20 year.</li> </ul> <p><b>Our findings on this risk area:</b></p> <p>The Trust delivered all of its £4,239k CIP target in year for 2018/19. It has also already identified £2,107k of its £2,762k savings target for 2019/20 with activity ongoing to identify the remaining savings required. We did not find any indication that the Trust has not had regard to its responsibilities to secure economy, efficiency and effectiveness in its use its resources.</p> |
| <b>Delivery of CQC improvement action plans</b>       | <p>The latest CQC report raised concerns in relation to safety and leadership, resulting in the Trust being given an overall 'requires improvement' rating.</p> <p>The Trust is looking at investment required to address the major concerns as well as implementing an overall action plan to respond to the findings of the CQC.</p>  | <p>Our work included assessing the adequacy of the Trust's arrangements for:</p> <ul style="list-style-type: none"> <li>— Putting in place and action plan and monitoring progress against the recommendations and agreed actions in response to the 2018/19 CQC report and rating of 'Requires improvement'.</li> </ul> <p><b>Our findings on this risk area:</b></p> <p>We have reviewed the arrangements in place to monitor progress against the CQC's findings in its October 2018 report.</p> <p>We have considered the mechanisms through which progress in both respects is reported to the Trust Board via the Quality Assurance Committee. We noted that there are appropriate arrangements in place to monitor this action plan.</p> <p>We did not find any indication that the Trust has not had regard to its responsibilities to secure economy, efficiency and effectiveness in its use its resources.</p>  |



## **THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES**

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

## **CERTIFICATE OF COMPLETION OF THE AUDIT**

We certify that we have completed the audit of the accounts of Sheffield Health and Social Care NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.



**Rashpal Khangura**  
**for and on behalf of KPMG LLP (Statutory Auditor)**

*Chartered Accountants*

1 Sovereign Square

Leeds

LS1 4DA

29 May 2019


## **Section 6.0 Annual Accounts**

### **Foreword to the accounts**

#### **Sheffield Health and Social Care NHS Foundation Trust**

These accounts, for the year ended 31 March 2019, have been prepared by Sheffield Health and Social Care NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Service Act 2006.

After making enquiries the Directors have reasonable expectation that the NHS Foundation Trust has adequate resource to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

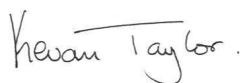


Kevan Taylor  
Chief Executive (as Accounting Officer)  
23 May 2019

The Accounts of Sheffield Health and Social Care NHS Foundation Trust for the period ending 31 March 2019 follows the four primary statements; the Statement of Comprehensive Income (SOI), the Statement of Financial Position (SOF), the Statement of Changes in Taxpayers' Equity (SOCI), and the Statement of Cashflows (SCF) are presented first. These are followed by the supporting notes to the accounts.

Note 1 outlines the Foundation Trust's accounting policies. Subsequent notes provided further detail on lines in the four primary statements and are cross referenced accordingly.

The financial statements (Accounts) were approved by the Board on 23 May 2019 and signed on its behalf by:

A handwritten signature in black ink that reads "Kevan Taylor". The signature is written in a cursive style with a horizontal line above the first name.

Kevan Taylor  
Chief Executive (as Accounting Officer)  
23 May 2019

## Statement of Comprehensive Income

|  | Note | 2018/19<br>£000 | 2017/18<br>£000 |
|--|------|-----------------|-----------------|
| Operating income from patient care activities                              | 3    | 98,720          | 94,283          |
| Other operating income   | 4    | 29,216          | 30,258          |
| Operating expenses   | 7, 9 | (114,813)       | (116,074)       |
| <b>Operating surplus/(deficit) from continuing operations</b>              |      | <b>13,123</b>   | <b>8,422</b>    |
| Finance income   | 12   | 224             | 75              |
| Finance expenses   | 13   | (21)            | (7)             |
| Public Dividend Capital (PDC) dividend payable                             |      | (1,635)         | (1,660)         |
| <b>Net finance costs</b>   |      | <b>(1,432)</b>  | <b>(1,592)</b>  |
| Other gains / (losses)   | 15   | 6               | -               |
| <b>Surplus/(deficit) from continuing operations</b>                        |      | <b>11,697</b>   | <b>6,830</b>    |
| <b>Surplus /(deficit) for the year</b>                                     |      | <b>11,697</b>   | <b>6,830</b>    |
| <b>Other comprehensive income</b>  |      |                 |                 |
| <b>Will not be reclassified to income and expenditure:</b>                 |      |                 |                 |
| Impairments  | 8    | -               | (5,189)         |
| Revaluations   | 19   | -               | 1,694           |
| Other recognised gains and (losses)  |      | 287             | (1,214)         |
| Remeasurements of the net defined benefit pension scheme liability / asset | 35   | (812)           | 2,085           |
| <b>Total comprehensive income / (expense) for the period</b>               |      | <b>11,172</b>   | <b>4,206</b>    |

## Statement of Financial Position

|  | Note | 31 March 2019<br>£000 | 31 March 2018<br>£000 |
|--|------|-----------------------|-----------------------|
| <b>Non-current assets</b>                    |      |                       |                       |
| Intangible assets                            | 16   | 977                   | 264                   |
| Property, plant and equipment                | 17   | 49,617                | 50,229                |
| Investment property                          | 20   | 200                   | 200                   |
| Receivables                                  | 23   | 5,331                 | 4,953                 |
| <b>Total non-current assets</b>              |      | <b>56,125</b>         | <b>55,646</b>         |
| <b>Current assets</b>                        |      |                       |                       |
| Inventories                                  | 22   | 91                    | 72                    |
| Receivables                                  | 23   | 13,032                | 12,364                |
| Other assets                                 | 25   | -                     | -                     |
| Cash and cash equivalents                    | 27   | 40,933                | 30,899                |
| <b>Total current assets</b>                  |      | <b>54,056</b>         | <b>43,335</b>         |
| <b>Current liabilities</b>                   |      |                       |                       |
| Trade and other payables                     | 28   | (8,805)               | (9,475)               |
| Provisions                                   | 30   | (1,059)               | (1,675)               |
| Other liabilities                            | 29   | (25)                  | (34)                  |
| <b>Total current liabilities</b>             |      | <b>(9,889)</b>        | <b>(11,184)</b>       |
| <b>Total assets less current liabilities</b> |      | <b>100,293</b>        | <b>87,797</b>         |
| <b>Non-current liabilities</b>               |      |                       |                       |
| Provisions                                   | 30   | (755)                 | (735)                 |
| Other liabilities                            | 29   | (5,792)               | (4,843)               |
| <b>Total non-current liabilities</b>         |      | <b>(6,547)</b>        | <b>(5,578)</b>        |
| <b>Total assets employed</b>                 |      | <b>93,746</b>         | <b>82,219</b>         |
| <b>Financed by</b>                           |      |                       |                       |
| Public Dividend Capital                      |      | 34,556                | 34,201                |
| Revaluation reserve                          |      | 13,016                | 13,132                |
| Income and expenditure reserve               |      | 46,174                | 34,886                |
| <b>Total taxpayers' equity</b>               |      | <b>93,746</b>         | <b>82,219</b>         |

The notes on pages 164 to 222 form part of these accounts.

*Hevan Taylor*

Chief Executive (as Accounting Officer)  
23 May 2019

# Statement of Changes in Equity for the year ended 31 March 2019

|   | Public<br>Dividend<br>Capital<br>£000 | Revaluation<br>Reserve<br>£000 | Income and<br>Expenditure<br>Reserve<br>£000 | Total<br>£000 |
|---|---------------------------------------|--------------------------------|--|---------------|
| <b>Taxpayers' equity at 01 April 2018 – brought forward</b>               | <b>34,201</b>                         | <b>13,132</b>                  | <b>34,886</b>                                | <b>82,219</b> |
| Surplus/(deficit) for the year  | -                                     | -                              | 11,697                                       | <b>11,697</b> |
| Transfer to retained earnings on disposal of assets                       | -                                     | (116)                          | 116  | -             |
| Other recognised gains and losses   | -                                     | -                              | 287  | <b>287</b>    |
| Remeasurements of the defined net benefits pension scheme liability/asset | -                                     | -                              | (812)  | <b>(812)</b>  |
| Public dividend capital received  | 355                                   | -                              | -  | <b>355</b>    |
| <b>Taxpayers' equity at 31 March 2019</b>                                 | <b>34,556</b>                         | <b>13,016</b>                  | <b>46,174</b>                                | <b>93,746</b> |

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

|   | Public<br>Dividend<br>Capital<br>£000 | Revaluation<br>Reserve<br>£000 | Income and<br>Expenditure<br>Reserve<br>£000 | Total<br>£000  |
|---|---------------------------------------|--------------------------------|--|----------------|
| <b>Taxpayers' equity at 01 April 2017 – brought forward</b>               | <b>33,991</b>                         | <b>16,627</b>                  | <b>27,185</b>                                | <b>77,803</b>  |
| Prior period adjustment   | -                                     | -                              | -  | -              |
| <b>Taxpayers' equity at 01 April 2017 - restated</b>                      | <b>33,991</b>                         | <b>16,627</b>                  | <b>27,185</b>                                | <b>77,803</b>  |
| Surplus/(deficit) for the year  | -                                     | -                              | 6,830  | <b>6,830</b>   |
| Impairments   | -                                     | (5,189)                        | -  | <b>(5,189)</b> |
| Revaluations  | -                                     | 1,694                          | -  | <b>1,694</b>   |
| Other recognised gains and losses   | -                                     | -                              | (1,214)                                      | <b>(1,214)</b> |
| Remeasurements of the defined net benefits pension scheme liability/asset | -                                     | -                              | 2,085  | <b>2,085</b>   |
| Public dividend capital received  | 210                                   | -                              | -  | <b>210</b>     |
| <b>Taxpayers' equity at 31 March 2018</b>                                 | <b>34,201</b>                         | <b>13,132</b>                  | <b>34,886</b>                                | <b>82,219</b>  |

## **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 | 2018/19<br>£000 | 2017/18<br>£000 |
|---|------|-----------------|-----------------|
| <b>Cash flows from operating activities</b>                       |      |                 |                 |
| Operating surplus / (deficit)                                     |      | 13,123          | 8,422           |
| <b>Non-Cash income and expense</b>                                |      |                 |                 |
| Depreciation and amortisation                                     | 7.1  | 2,565           | 2,441           |
| Net impairments   | 8    | -               | 3,403           |
| Non-cash movements in on-SoFP pension liability                   |      | 137             | 214             |
| (Increase)/decrease in receivables and other assets               |      | (840)           | (3,823)         |
| (Increase)/decrease in inventories                                |      | (19)            | (13)            |
| Increase/(decrease) in payables and other liabilities             |      | (722)           | 403             |
| Increase/(decrease) in provisions                                 |      | (598)           | (2,101)         |
| Other movements in operating cash flows                           |      | (120)           | (207)           |
| <b>Net cash generated from / (used in) operating activities</b>   |      | <b>13,525</b>   | <b>8,740</b>    |
| <b>Cash flows from investing activities</b>                       |      |                 |                 |
| Interest received   |      | 234             | 68              |
| Purchase of intangible assets                                     |      | (764)           | (119)           |
| Purchase of property, plant and equipment and investment property |      | (2,042)         | (3,936)         |
| Sales of property, plant, equipment and investment property       |      | 174             | -               |
| <b>Net cash generated from / (used in) investing activities</b>   |      | <b>(2,398)</b>  | <b>(3,987)</b>  |
| <b>Cash flows from financing activities</b>                       |      |                 |                 |
| Public dividend capital received                                  |      | 355             | 210             |
| Other interest paid   |      | (19)            | (6)             |
| PDC dividend (paid) / refunded                                    |      | (1,429)         | (1,814)         |
| <b>Net cash generated from / (used in) financing activities</b>   |      | <b>(1,093)</b>  | <b>(1,610)</b>  |
| <b>Increase/ (decrease) in cash and cash equivalents</b>          |      | <b>10,034</b>   | <b>3,143</b>    |
| <b>Cash and cash equivalents at 01 April – brought forward</b>    |      | <b>30,899</b>   | <b>27,756</b>   |
| <b>Cash and cash equivalents at 31 March</b>                      | 27   | <b>40,933</b>   | <b>30,899</b>   |

## **Supporting notes to the Accounts**

### **Note 1 Accounting policies and other information**

#### **Note 1.1 Basis of preparation**

NHS Improvement, in exercising the statutory functions conferred on Monitor, 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 2018/19 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 the accounts. Sheffield Health and Social Care NHS Foundation Trust ("the Trust") achieved foundation trust status on 1 July 2008.

#### **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 Accounting period**

The accounts of the Trust have been drawn up for the year to 31 March 2019.

#### **Note 1.1.3 Acquisitions and discounted operations**

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

#### **Note 1.2 Going concern**

The Trust's annual report and accounts have been prepared on a going concern basis, approved by the Board. There is a reasonable assumption that the Trust has the ability to continue in existence in the foreseeable future.

### **Note 1.3 Interests in other entities**

#### **NHS charitable funds**

The Trust is one of the related Charities to Sheffield Hospitals Charitable Trust, under the umbrella registration of 1059043-3. The Trust is not a corporate trustee of the charity. The Trust has assessed its relationship to the charitable fund and determined it not to be a subsidiary because the Trust does not have the power to govern the financial and operating policies of the charitable fund so as to obtain benefits from its activities for itself, its patients or its staff. The Trust will not be consolidating the Sheffield Hospitals Charity. The Department of Health and Social Care corresponds directly with NHS charities whom are independent of their linked trust (with independent trustees) to obtain the information they require to consolidate the Department of Health and Social Care group. Sheffield Hospitals Charity is one such charity.

## **Subsidiaries**

Entities over which the trust has the power to exercise control are classified as subsidiaries and are consolidated. The Trust has control when it has the ability to affect the variable returns from the other entity through its power to direct relevant activities. The income, expenses, assets, liabilities, equity and reserves of the subsidiary are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to non-controlling interests are included as a separate item in the Statement of Financial Position. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the trust or where the subsidiary's accounting date is not coterminous. Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'. During 2015/16 the Trust established an operating company, 7 Hills Care and Support Ltd wholly owned by the Trust and which has currently remained dormant during 2018/19.

## **Associates**

Associate entities are those over which the trust has the power to exercise a significant influence. Associate entities are recognised in the trust's financial statement using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution, e.g., share dividends are received by the trust from the associate. Associates which are classified as held for sale are measured at the lower of their carrying amount and "fair value less costs to sell". During 2018/19 the Trust recognises no Associates.

## **Joint arrangements**

Arrangements over which the trust has joint control with one or more other entities are classified as joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement. A joint arrangement is either a joint operation or a joint venture. A joint operation exists where the parties that has joint control have rights to the assets and obligations for the liabilities relating to the arrangement. Where the trust is a joint operator it recognises its share of, assets, liabilities, income and expenses in its own accounts. During 2018/19 the Trust recognises no Joint arrangements.

## **Note 1.4 Critical judgements and key sources of estimation uncertainty**

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The Trust confirms that it has not used any key assumptions concerning the future or had any key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year that need to be disclosed under IAS1.

It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset or liability recorded in note 17.1

### **Note 1.4.1 Critical judgements in applying accounting policies**

The main area of estimation uncertainty within the Trust is the carrying value of the property portfolio and the assumptions used in the determination of fair value at the Statement of Financial Position date, in order to minimise the risk of material misstatement, a full property valuation has been commissioned by the Trust as at 31st March 2018.

Provisions have been calculated having recognised an obligating event during the year and include estimates and assumptions relating to the carrying amounts and timing of the anticipated payments. The litigation provisions are based on estimates from the NHS Litigation Authority and the injury benefit provisions on figures from NHS Pensions. Refer to Paragraph 1.9 for further details.

A further area where estimation is required relates to the net liability to pay pensions in respect of the staff who transferred to the Trust from Sheffield City Council. This estimation depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in the retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged by the South Yorkshire Pensions Authority to provide the Trust with expert advice about the assumptions to be applied. Refer to Paragraph 1.7 and note 35 and 35.1 for further details.

#### **Note 1.5 Transfer of functions**

For functions that have been transferred to the trust from another NHS or local government body, the assets and liabilities are recognised in the accounts at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain or loss corresponding to the net assets or liabilities transferred is recognised within income or expenses, but not within operating activities. For property plant and equipment assets and intangible assets, the cost and accumulated depreciation/amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the Trust has transferred to another NHS or local government body, the assets and liabilities transferred are de-recognised from the accounts at the date of transfer. The net loss or gain corresponding to the net assets or liabilities transferred is recognised within expenses/income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve. Adjustments to align the acquired function to the Foundation Trust's accounting policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

#### **Note 1.6 Revenue from contracts with customers**

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

The Trust's revenue from contracts with customers are recognised over time as services are consumed simultaneously by the customer as the Trust provides it. The Trust's contracts are subject to a single performance obligation. The transaction price is the amount of consideration to which the Trust is entitled to in exchange for transferring services to its customers.

### **Revenue from NHS contracts**

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this in the transaction price and derecognises the relevant portion of income.

### **Revenue from research contracts**

Where research contracts fall under IFRS 15, revenue is recognised by the Trust as and when performance obligations are satisfied. At contract inception, the Trust assesses the outputs promised in the research contract to identify as a performance obligation each promise to transfer either a good or service that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer. The Trust recognises revenue as these performance obligations are met, which may be at a point in time or over time depending upon the terms of the contract.

### **Revenue grants and other contributions to expenditure**

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the the Government's apprenticeship service is recognised as income at the point of receipt of the training

service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

### **Other income**

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

## **Note 1.7 Expenditure on employee benefits**

### **Short-term employee benefits**

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

### **Pension costs**

#### **NHS Pension Scheme**

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](http://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 for Health 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 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 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 latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

#### **NEST Pension Scheme**

The trust is a member of the National Employment Savings Trust (NEST) pension scheme which operates as a defined contribution plan. The trust pays contributions into a fund but has no legal or constructive obligation to make further payments if the fund does not have sufficient assets to pay all of the employees' entitlements to post-employment benefits. The trust's obligation is therefore limited to the amount it agrees to contribute to the fund and effectively place actuarial and investment risk on the employee. The amount recognised in the period is the contribution payable in exchange for service rendered by employees during the period.

#### **Local Government Pension Scheme**

Some employees are members of the Local Government Pension Scheme, administered by the South Yorkshire Pensions Authority, which is a defined benefit pension scheme. The scheme assets and liabilities attributable to these employees can be identified and are recognised in the Trust's accounts. The assets are measured at fair value, and the liabilities at the present value of future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The net interest cost during the year arising from the unwinding of the discount on the net scheme liabilities is recognised within finance costs. Re-measurements of the defined benefit plan are recognised in the income and expenditure reserve and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. These postings are mostly countered by the terms of the current partnership agreement. The terms of the current partnership agreement with Sheffield City Council ('the Council') provide that any long-term pension liability arising from the scheme will be funded by the Council, with the exception of any pension changes which relate to salary increases in excess of any local government grading agreements. The impact on the current and prior year Statement of Comprehensive Income and Statement of Changes in Taxpayers' Equity relating to the application of IAS 19 - 'Employee Benefits' within the accounts of the Trust is mostly negated by the inclusion of a corresponding non-current receivable with the Council. For further information see note 35 and 35.1

#### **Note 1.8 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 1.9 Property, plant and equipment**

### **Note 1.9.1 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 lives.

### **Note 1.9.2 Measurement**

#### **Valuation**

All property, plant and equipment assets are measured initially at cost, representing the costs 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.

All assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Revaluations 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. These valuations are carried out by professionally qualified valuers in accordance with Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual. Fair values are determined as follows:

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



A full revaluation was undertaken as at 31 March 2018 and a "desktop" revaluation as at 31 March 2019 and are reflected in these financial statements.

Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the services being provided.

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, borrowings costs. Assets are revalued and depreciation commences in the following quarter when the assets are brought into 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 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' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets 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 1.9.3 De-recognition**

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 abandoned 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. The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the income statement. On disposal, the balance for the asset on the revaluation reserve, donated asset reserve or government grant reserve is transferred to retained earnings.

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 useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

### **Note 1.9.4 Donated and grant funded assets**

Donated and grant funded property, plant and equipment assets are capitalised at their fair 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 1.9.5 Investment property**

Investment property comprises properties that are held to earn rentals or for capital appreciation or both. It is not depreciated but is stated at fair value based on regular valuations performed by professionally qualified valuers. Fair value is based on current prices for similar properties in the same location and condition. Any gain or loss arising from the change in fair value is recognised in the Statement of Comprehensive Income. Rental income from investment property is recognised on a straight-line basis over the term of the lease. 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.

#### **Note 1.9.6 Useful lives of property, plant and equipment**

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

|                                | <b>Minimum life - years</b> | <b>Maximum life - years</b> |
|--------------------------------|-----------------------------|-----------------------------|
| Buildings, excluding dwellings | 15                          | 50                          |
| Plant and machinery            | 5                           | 15                          |
| Transport equipment            | 3                           | 7                           |
| Information technology         | 3                           | 7                           |
| Furniture and fittings         | 7                           | 10                          |

Freehold land, assets under construction or development, investment properties, and assets held for sale are not depreciated. Otherwise, depreciation is charged to write off the costs or valuation of property, plant and equipment and intangible assets, less any residual value, on a straight-line basis over their estimated useful lives.

The estimated economic useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. At each financial year end, the Trust checks whether there is any indication that its property, plant and equipment or intangible assets have suffered an impairment loss. If there is indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually at the financial year end.

## **Note 1.10 Intangible assets**

### **Note 1.10.1 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 when the cost is at least £5,000.

#### **Internally generated intangible assets**

##### **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.

Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

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

### **Note 1.10.2 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 or IFRS 5.

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

### **Note 1.10.3 Amortisation**

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

**Note 1.10.4 Useful economic life of intangible assets**

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

|                         | Minimum life - years | Maximum life - years |
|-------------------------|----------------------|----------------------|
| Information technology  | 3                    | 7                    |
| Software licences       | 3                    | 7                    |
| Licences and trademarks | 3                    | 7                    |
| Other (purchased)       | 3                    | 7                    |
| Goodwill                | 3                    | 7                    |

**Note 1.11 Inventories**

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

**Note 1.12 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 the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

**Note 1.13 Financial assets and financial liabilities****Note 1.13.1 Recognition**

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes 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 and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

**Note 1.13.2 Classification and measurement**

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques. Financial assets and liabilities are classified as subsequently measured at amortised cost.

**Financial assets and financial liabilities at amortised cost**

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

***Impairment of financial assets***

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

**Note 1.13.3 Derecognition**

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

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

**Note 1.14 Leases**

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

**Note 1.14.1 The trust as lessee****Finance leases**

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires. During 2018/19 the Trust has no finance leases.

**Operating leases**

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

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

**Leases of land and buildings**

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

**Note 1.14.2 The trust as lessor****Finance leases**

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

**Operating leases**

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

**Note 1.15 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.

#### **Note 1.16 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 31 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 1.17 Contingencies**

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in a note to the accounts where an inflow of economic benefits is probable. As at 31 March 2019 the Trust has no contingent assets.

Contingent liabilities are not recognised, but are disclosed in note 32, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

#### **Note 1.18 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. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%)



on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for

- (i) donated assets (including lottery funded assets),
- (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
- (iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the “pre-audit” version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

#### **Note 1.19 Value added tax**

Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

#### **Note 1.20 Corporation tax**

The Finance Act 2004 amended Section 519A of the Income and Corporation Taxes Act 1998 to provide power to the Treasury to make certain non-core activities of the Trust, which are not related to, or ancillary to, the provision of healthcare and where profits exceed £50,000 per annum, are potentially subject to corporation tax and should be subject to a review.

The Trust has carried out a review of corporation tax liability of its non-healthcare activities. At present all activities are either ancillary to patient care activity or below the de-minimis £50,000 profit level at which corporation tax is due.

#### **Note 1.21 Foreign exchange**

The functional and presentational currency of the trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items are translated at the spot exchange rate on 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

#### **Note 1.22 Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM.

#### **Note 1.23 Losses and special payments**

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the losses and special payments note 39 is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

#### **Note 1.24 Gifts**

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

#### **Note 1.25 Early adoption of standards, amendments and interpretations**

No new accounting standards or revisions to existing standards have been early adopted in 2018/19.

#### **Note 1.26 Standards, amendments and interpretations in issue but not yet effective or adopted**

The DHSC GAM does not require the following Standards and Interpretations to be applied in 2018-19. These standards are still subject to HM Treasury FReM adoption, with IFRS 16 being for implementation in 2019-20, and the government implementation date for IFRS 17 still subject to HM Treasury consideration.

- IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRIC 22 Foreign Currency Transactions and Advance Consideration – Application required for accounting periods beginning on or after 1 January 2018.
- IFRIC 23 Uncertainty over Income Tax Treatments – Application required for accounting periods beginning on or after 1 January 2019.

The Trust has considered the above new standards, interpretation and amendments to published standards that are not yet effective and concluded that they are currently either not relevant to the Trust or that they would not have a significant impact on the Trust's

financial statements, apart from some additional disclosures. This conforms with the FT ARM 2018/19, which requires that any amendments to standards are applied in accordance with the applicable timetable, with early adoption not permitted.

## Note 2 Operating Segments

The Trust considers that it has one operating segment, that being the provision of health and social care. All revenues are derived from within the UK.

Details of operating income by classification and operating income by type are given in Note 3.

## Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.

| <b>Note 3.1 Income from patient care activities (by nature)</b>               | <b>2018/19<br/>£000</b> | <b>2017/18<br/>£000</b> |
|---|-------------------------|-------------------------|
| Block contract income   | 89,880                  | 85,948                  |
| Clinical partnerships providing mandatory services (including S75 agreements) | 1,115                   | 1,182                   |
| Clinical income for the secondary commissioning of mandatory services         | -                       | -                       |
| Other clinical income from mandatory services                                 | 6,217                   | 6,888                   |
| Agenda for Change pay award central funding                                   | 1,383                   | -                       |
| Other clinical income   | 125                     | 220                     |
| <b>Total income from activities</b>   | <b>98,720</b>           | <b>94,238</b>           |

## Note 3.2 Income from patient care activities (by source)

| <b>Income from patient care activities received from:</b> | <b>2018/19<br/>£000</b> | <b>2017/18<br/>£000</b> |
|---|-------------------------|-------------------------|
| NHS England   | 4,406                   | 4,484                   |
| Clinical commissioning groups                             | 87,408                  | 83,447                  |
| Department of Health and Social Care                      | 1,383                   | -                       |
| Local authorities   | 5,399                   | 6,079                   |
| Non NHS: other  | 124                     | 228                     |
| <b>Total income from activities</b>                       | <b>98,720</b>           | <b>94,238</b>           |
| <b>Of which:</b>  |                         |                         |
| Related to continuing operations                          | 98,720                  | 94,283                  |
| Related to discontinued operations                        | -                       | -                       |

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

No activities to report in year 2017/18 and 2018/19

| <b>Note 4 Other operating income</b>  | <b>2018/19<br/>£000</b> | <b>2017/18<br/>£000</b> |
|---|-------------------------|-------------------------|
| <b>Other operating income from contracts with customers:</b>                        |                         |                         |
| Research and development (contract)   | 1,111                   | 1,624                   |
| Education and training (excluding national apprenticeship levy income)              | 5,756                   | 6,523                   |
| Non-patient care services to other bodies   | 9,764                   | 11,147                  |
| Provider sustainability / sustainability and transformation fund income (PSF / STF) | 7,655                   | 6,086                   |
| Income in respect of employee benefits accounted on a gross basis                   | 3,517                   | 3,394                   |
| Other contract income   | 1,333                   | 1,317                   |
| <b>Other non-contract operating income</b>  |                         |                         |
| Rental revenue from operating leases  | 80                      | 167                     |
| <b>Total other operating income</b>   | <b>29,216</b>           | <b>30,258</b>           |
| <b>Of which:</b>  |                         |                         |
| Related to continuing operations  | 29,216                  | 30,258                  |
| Related to discontinued operations  | -                       | -                       |

Other contract income' is not considered a material figure, there are no single significant items of income included in this figure.

#### **Note 5.1 Additional information on revenue from contracts with customers recognised in the period**

|  |                           |
|--|---------------------------|
|  | <b>2018/2019<br/>£000</b> |
| Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end | 34                        |
| Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods                 | -                         |

#### **Note 5.2 Transaction price allocated to remaining performance obligations**

|  |                               |
|--|-------------------------------|
|  | <b>31 March 2019<br/>£000</b> |
| Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised: |                               |
| Within one year  | -                             |
| After one year, not later than five years  | -                             |
| After five years   | -                             |
| Total revenue allocated to remaining performance obligations   | -                             |

The trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed.

**Note 5.3 Income from activities arising from commissioner requested services**

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider license and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

|  | <b>2018/19</b> | <b>2017/18</b> |
|--|----------------|----------------|
|  | <b>£000</b>    | <b>£000</b>    |
| Income from services designated as commissioner requested services     | 98,720         | 94,238         |
| Income from services not designated as commissioner requested services | 29,216         | 30,258         |
| <b>Total</b>   | <b>127,936</b> | <b>124,496</b> |

**Note 5.4 Profits and losses on disposal of property, plant and equipment**

The Trust disposed of land and building of the non-current asset known as Wheata Place. Its net book value was £168k and the capital receipt was of £174k leaving a net gain on disposal of £6k.

This property was previously occupied by another NHS FT, and therefore has no impact on our ability to provide commissioner requested services.

**Note 6 Fees and charges**

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

No material fees and charges to report at 31 March 2019

## Note 7.1 Operating expenses

|   | 2018/19<br>£000 | 2017/18<br>£000 |
|---|-----------------|-----------------|
| Purchase of healthcare from NHS and DHSC bodies                           | 739             | 1,448           |
| Purchase of healthcare from non-NHS and non-DHSC bodies                   | 3,095           | 2,167           |
| Staff and Executive Director costs  | 93,196          | 90,468          |
| Remuneration of Non-Executive Directors                                   | 118             | 117             |
| Supplies and services – clinical (excluding drugs costs)                  | 270             | 277             |
| Supplies and services – general   | 907             | 829             |
| Drug costs (drugs inventory consumed and purchase of non-inventory drugs) | 815             | 722             |
| Inventories written down  | 15              | 12              |
| Consultancy costs   | 257             | 498             |
| Establishment   | 681             | 628             |
| Premises  | 5,288           | 5,068           |
| Transport (including patient travel)                                      | 1,117           | 1,146           |
| Depreciation on property, plant and equipment                             | 2,514           | 2,434           |
| Amortisation on intangible assets   | 51              | 7               |
| Net impairments   | -               | 3,403           |
| Movement in credit loss allowance: contract receivables / contract assets | (77)            |                 |
| Movement in credit loss allowance: all other receivables and investments  | -               | 484             |
| Change in provisions discount rate(s)                                     | (12)            | 10              |
| Audit fees payable to the external auditor                                |                 |                 |
| audit services – statutory audit  | 61              | 59              |
| other auditor remuneration (external auditor only)                        | 17              | 11              |
| Internal audit costs  | 103             | 121             |
| Clinical negligence   | 811             | 698             |
| Legal fees  | 191             | 52              |
| Insurance   | 162             | 199             |
| Research and development  | 1,305           | 1,537           |
| Education and training  | 384             | 398             |
| Rentals under operating lease   | 1,273           | 1,313           |
| Redundancy  | 66              | 294             |
| Car parking and security  | 91              | 53              |
| Hospitality   | 17              | 11              |
| Losses, ex gratia and special payments                                    | 140             | 95              |
| Other services, eg external payroll                                       | 156             | 188             |
| Other   | 1,062           | 1,327           |
| <b>Total</b>  | <b>114,813</b>  | <b>116,073</b>  |
| <b>Of which:</b>  |                 |                 |
| Related to continuing operations  | 114,813         | 116,073         |
| Related to discontinued operations  | -               | -               |

Other income' is not considered a material figure, there are no single significant items of income included in this figure.

## Note 7.2 Other auditor remuneration

| <b>Other auditor remuneration paid to the external auditor:</b> | <b>2018/19<br/>£000</b> | <b>2017/18<br/>£000</b> |
|---|-------------------------|-------------------------|
| 1. Audit-related assurance services – Quality audit fee         | 11                      | 11                      |
| 2. Other non-audit services                                     | 6                       | -                       |
| <b>Total</b>  | <b>17</b>               | <b>11</b>               |

## Note 7.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1m (2017/18: £1m).

## Note 8 Impairment of assets

| <b>Net impairments charged to operating surplus / deficit resulting from:</b> | <b>2018/19<br/>£000</b> | <b>2017/18<br/>£000</b> |
|---|-------------------------|-------------------------|
| Changes in market price   | -                       | 3,402                   |
| Other   | -                       | -                       |
| <b>Total net impairments charged to operating surplus / deficit</b>           | <b>-</b>                | <b>3,402</b>            |
| Impairments charged to the revaluation reserve                                | -                       | 5,189                   |
| <b>Total net impairments</b>  | <b>-</b>                | <b>8,591</b>            |

## Note 8.1 Revaluation Reserve Movements

|                    | <b>31 March<br/>2019<br/>£000</b> | <b>31 March<br/>2018<br/>£000</b> |
|--------------------|-----------------------------------|-----------------------------------|
| As at 01 April     | 13,132                            | 16,627                            |
| Reserve transfers  | (116)                             | -                                 |
| Impairments losses | -                                 | (5,189)                           |
| Revaluation gains  | -                                 | 1,694                             |
| As at 31 March     | <b>13,016</b>                     | <b>13,132</b>                     |

The movement in Revaluation Reserve responds to the transfer to retained earnings on disposal of assets, Wheata Place at the end of financial year 2018/19.

The Trust adopts a policy of obtaining a full revaluation of the land and buildings held within its property asset portfolio every five years, with interim valuations to be performed in the third year. Whilst the Trust considers that the property portfolio is not subject to a particularly volatile valuation environment, it also recognises that it needs to ensure that there is minimal difference between carrying value and fair value. The inclusion of an interim valuation ensures that this is fulfilled.

The last full asset valuation was performed in as at 31 March 2018. The valuation of the property portfolio was performed by professional valuers, GVA Grimleys.

Further to the last revaluation, the Trust has received report from GVA Grimleys valuers that there are no indications of any material changes in the property market.

GVA Grimleys do not consider asset values to have materially moved in the area over the last year indicate that current net book values are appropriate. The BCIS index has not moved in the time-frame, upon consultation with the Trust's valuers, there was no indication of any material changes to the current values reported at end of March 2019.

## Note 9 Employee benefits

|  | <b>2018/19</b> | <b>2017/18</b> |
|--|----------------|----------------|
|  | <b>Total</b>   | <b>Total</b>   |
|  | <b>£000</b>    | <b>£000</b>    |
| Salaries and wages                       | 74,404         | 71,241         |
| Social security costs                    | 7,037          | 6,953          |
| Apprenticeship levy                      | 349            | 345            |
| Employer's contributions to NHS pensions | 8,924          | 8,675          |
| Pension cost - other                     | -              | 623            |
| Termination benefits                     | 66             | 486            |
| Temporary staff (including agency)       | 3,540          | 3,354          |
| <b>Total gross staff costs</b>           | <b>94,320</b>  | <b>91,677</b>  |
| Recoveries in respect of seconded staff  | -              | -              |
| <b>Total staff costs</b>                 | <b>94,320</b>  | <b>91,677</b>  |
| <b>Of which:</b>                         |                |                |
| Costs capitalised as part of assets      | 305            | 228            |

## Note 9.1 Directors' and Non-Executive remuneration

|   | <b>2018/19</b> | <b>2017/18</b> |
|---|----------------|----------------|
|   | <b>Total</b>   | <b>Total</b>   |
|   | <b>£000</b>    | <b>£000</b>    |
| Fees to Non-Executive Directors*                    | 109            | 108            |
| Executive Directors – Salaries **                   | 693            | 663            |
| Executive Directors – Benefits (NHS Pension scheme) | 74             | 86             |
|   | <b>876</b>     | <b>857</b>     |

\* Excludes National Insurance contributions

\*\* Further information about the remuneration of individual Directors and details of their pension arrangements is provided in the Remuneration Report.

## Note 9.2 Retirements due to ill-health

During 2018/19 there was 1 early retirement from the trust agreed on the grounds of ill-health (5 in the year ended 31 March 2018). The estimated additional pension liabilities of these ill-health retirements is £3k (£451k in 2017/18).



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

#### **Note 10 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](http://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 for Health 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.

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](http://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 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 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 latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

## Note 11 Operating leases

### Note 11.1 Sheffield Health and Social Care NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where Sheffield Health and Social Care NHS Foundation Trust is the lessor.

| <b>Operating lease revenue</b> | <b>2018/19<br/>£000</b> | <b>2017/18<br/>£000</b> |
|--------------------------------|-------------------------|-------------------------|
| Minimum lease receipts         | 80                      | 167                     |
| <b>Total</b>                   | <b>80</b>               | <b>167</b>              |

#### **Future minimum lease receipts due:**

|                            |   |   |
|----------------------------|---|---|
| - not later than one year; | 0 | 0 |
|----------------------------|---|---|

### Note 11.2 Sheffield Health and Social Care NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Sheffield Health and Social Care NHS Foundation Trust is the lessee.

| <b>Operating lease expense</b>  | <b>2018/19<br/>£000</b> | <b>2017/18<br/>£000</b> |
|---------------------------------|-------------------------|-------------------------|
| Minimum lease payments          | 1,334                   | 1,371                   |
| Less sublease payments received | (61)                    | (58)                    |
| <b>Total</b>                    | <b>1,273</b>            | <b>1,313</b>            |

#### **Future minimum lease payments due:**

|  | <b>31 March<br/>2019<br/>£000</b> | <b>31 March<br/>2018<br/>£000</b> |
|--|-----------------------------------|-----------------------------------|
| - not later than one year;                           | 2,112                             | 1,270                             |
| - later than one year and not later than five years; | 1,080                             | 1,316                             |
| - later than five years.                             | 8,582                             | 9,673                             |
| <b>Total</b>   | <b>11,774</b>                     | <b>12,259</b>                     |
| Future minimum sublease payments to be received      | -                                 | -                                 |

### Significant Leasing Arrangements

The term of the operating lease for the property on the Northern General site is 125 years from the 01 April 1991. The rent payable to Sheffield Teaching Hospitals NHS FT (STH) is based on the capital charges for the buildings.

There is no option to renew when the lease finishes on 31 March 2116. At the end of the lease period or following a termination by the tenant, if the landlord sells the property or any part of it, the net proceeds of the sale will be divided between the landlord and the tenant in accordance with a table contained in the lease ranging from 50% / 50% within one year of reversion to 100% / nil in favour of the landlord after 10 years from the reversion date.

Under the terms of the lease the following restrictions are imposed, not to assign, sub let, mortgage, charge or part with possession of the whole or part of the property and to only use the property, or any part of it, for the housing and treatment of learning disabilities service users.

### Note 12 Finance income

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

|                           | 2018/19<br>£000 | 2017/18<br>£000 |
|---------------------------|-----------------|-----------------|
| Interest on bank accounts | 224             | 75              |
| <b>Total</b>              | <b>224</b>      | <b>75</b>       |

### Note 13 Finance expenditure

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

|   | 2018/19<br>£000 | 2017/18<br>£000 |
|---|-----------------|-----------------|
| <b>Interest expense:</b>                                      |                 |                 |
| Overdrafts  | -               | -               |
| Unwinding of discount on provisions                           | 2               | 1               |
| Finance Costs associated with Local Authority Pension Scheme* | 19              | 6               |
| <b>Total finance costs</b>                                    | <b>21</b>       | <b>7</b>        |

\* The Finance interest income associated with the Local Authority Pension scheme is presented net as a finance cost in line with IAS19. Refer to accounting policy note 1.7 (LGPS).

### Note 14 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

No liability accruing in year 2018/19 under this legislation as a result of late payments

**Note 15 Other gains / (losses)**

|   | <b>2018/19</b> | <b>2017/18</b> |
|---|----------------|----------------|
|   | <b>£000</b>    | <b>£000</b>    |
| Gains on disposal of assets                         | 6              | -              |
| <b>Total gains / (losses) on disposal of assets</b> | <b>6</b>       | <b>-</b>       |

Wheata Place land and building have been disposed of in March 2019

## Note 16.1 Intangible assets – 2018/19

|   | Software<br>licences<br>£000 | Intangible<br>assets under<br>construction<br>£000 | Total<br>£000 |
|---|------------------------------|--|---------------|
| <b>Valuation / gross costs at 01 April 2018 – brought forward</b> | <b>87</b>                    | <b>210</b>   | <b>297</b>    |
| Additions   | -                            | 764  | <b>764</b>    |
| Reclassifications   | 210                          | (210)  | -             |
| <b>Valuation / gross cost at 31 March 2019</b>                    | <b>297</b>                   | <b>764</b>   | <b>1,061</b>  |
| <b>Amortisation at 01 April 2018 – brought forward</b>            | <b>33</b>                    | <b>-</b>   | <b>33</b>     |
| <b>Amortisation at start of period for new FTs</b>                |                              |  |               |
| Provided during the year  | 51                           | -  | <b>51</b>     |
| <b>Amortisation at 31 March 2019</b>                              | <b>84</b>                    | <b>-</b>   | <b>84</b>     |
| <b>Net book value at 31 March 2019</b>                            | <b>213</b>                   | <b>764</b>   | <b>977</b>    |
| <b>Net book value at 01 April 2018</b>                            | <b>54</b>                    | <b>210</b>   | <b>264</b>    |

## Note 16.2 Intangible assets – 2017/18

|  | Software<br>licences<br>£000 | Intangible<br>assets under<br>construction<br>£000 | Total<br>£000 |
|--|------------------------------|--|---------------|
| <b>Valuation / gross costs at 01 April 2017 – as previously stated</b> | <b>27</b>                    | <b>151</b>   | <b>178</b>    |
| Prior period adjustments   | -                            | -  | -             |
| <b>Valuation / gross cost at 01 April 2017 - restated</b>              | <b>27</b>                    | <b>151</b>   | <b>178</b>    |
| Additions  | -                            | 119  | <b>119</b>    |
| Reclassifications  | 60                           | (60)   | -             |
| <b>Valuation / gross costs at 31 March 2018</b>                        | <b>87</b>                    | <b>210</b>   | <b>297</b>    |
| <b>Amortisation at 01 April 2017 – as previously stated</b>            | <b>26</b>                    | -  | <b>26</b>     |
| Prior period adjustments   | -                            | -  | -             |
| <b>Amortisation at 01 April 2017 - restated</b>                        | <b>26</b>                    | -  | <b>26</b>     |
| Provided during the year   | 7                            | -  | <b>7</b>      |
| <b>Amortisation at 31 March 2018</b>                                   | <b>33</b>                    | -  | <b>33</b>     |
| <b>Net book value at 31 March 2018</b>                                 | <b>54</b>                    | <b>210</b>   | <b>264</b>    |
| <b>Net book value at 01 April 2017</b>                                 | <b>1</b>                     | <b>151</b>   | <b>152</b>    |

## Note 17.1 Property, plant and equipment – 2018/19

|  | Land<br>£000  | Buildings<br>excluding<br>dwellings<br>£000 | Assets<br>under<br>construction<br>£000 | Plant and<br>machinery<br>£000 | Transport<br>equipment<br>£000 | Information<br>technology<br>£000 | Furniture<br>and<br>fittings<br>£000 | Total<br>£000 |
|--|---------------|---|---|--------------------------------|--------------------------------|-----------------------------------|--------------------------------------|---------------|
| <b>Valuation/gross cost at 01 April 2018 – brought forward</b>     | <b>11,327</b> | <b>35,312</b>                               | <b>2,152</b>                            | <b>824</b>                     | <b>240</b>                     | <b>2,469</b>                      | <b>25</b>                            | <b>52,349</b> |
| Additions  | -             | -   | 2,071                                   | -                              | -                              | -                                 | -                                    | 2,071         |
| Reclassifications  | -             | 101   | (182)                                   | 12                             | -                              | 69                                | -                                    | 0             |
| Disposals / derecognition  | (142)         | (43)  | -                                       | -                              | -                              | -                                 | -                                    | (185)         |
| <b>Valuation/gross cost at 31 March 2019</b>                       | <b>11,185</b> | <b>35,370</b>                               | <b>4,041</b>                            | <b>836</b>                     | <b>240</b>                     | <b>2,538</b>                      | <b>25</b>                            | <b>54,235</b> |
| <b>Accumulated depreciation at 01 April 2018 – brought forward</b> | <b>-</b>      | <b>340</b>                                  | <b>-</b>                                | <b>478</b>                     | <b>146</b>                     | <b>1,138</b>                      | <b>18</b>                            | <b>2,120</b>  |
| <b>Depreciation at start of period as FT</b>                       | <b>-</b>      | <b>-</b>                                    | <b>-</b>                                | <b>-</b>                       | <b>-</b>                       | <b>-</b>                          | <b>-</b>                             | <b>-</b>      |
| Provided during the year   | -             | 2,038                                       | -                                       | 55                             | 23                             | 397                               | 1                                    | 2,514         |
| Disposals / derecognition  | -             | (16)  | -                                       | -                              | -                              | -                                 | -                                    | (16)          |
| <b>Accumulated depreciation at 31 March 2019</b>                   | <b>-</b>      | <b>2,362</b>                                | <b>-</b>                                | <b>533</b>                     | <b>169</b>                     | <b>1,535</b>                      | <b>19</b>                            | <b>4,618</b>  |
| <b>Net book value at 31 March 2019</b>                             | <b>11,185</b> | <b>33,008</b>                               | <b>4,041</b>                            | <b>303</b>                     | <b>71</b>                      | <b>1,003</b>                      | <b>6</b>                             | <b>49,617</b> |
| <b>Net book value at 01 April 2018</b>                             | <b>11,327</b> | <b>34,972</b>                               | <b>2,152</b>                            | <b>346</b>                     | <b>94</b>                      | <b>1,331</b>                      | <b>7</b>                             | <b>50,229</b> |

## Note 17.2 Property, plant and equipment – 2017/18

|  | Land<br>£000  | Buildings<br>excluding<br>dwellings<br>£000 | Assets<br>under<br>construction<br>£000 | Plant and<br>machinery<br>£000 | Transport<br>equipment<br>£000 | Information<br>technology<br>£000 | Furniture<br>and<br>fittings<br>£000 | Total<br>£000  |
|--|---------------|---|---|--------------------------------|--------------------------------|-----------------------------------|--------------------------------------|----------------|
| <b>Valuation / gross costs at 01 April 2017 – as previously stated</b> | <b>10,884</b> | <b>43,410</b>                               | <b>1,336</b>                            | <b>881</b>                     | <b>187</b>                     | <b>2,013</b>                      | <b>25</b>                            | <b>58,626</b>  |
| Prior period adjustments   | -             | -   | -                                       | -                              | -                              | -                                 | -                                    | -              |
| <b>Valuation/gross cost at 01 April 2017 – restated</b>                | <b>10,884</b> | <b>43,410</b>                               | <b>1,336</b>                            | <b>881</b>                     | <b>187</b>                     | <b>2,013</b>                      | <b>25</b>                            | <b>58,626</b>  |
| Additions  | -             | -   | 4,458                                   | -                              | -                              | -                                 | -                                    | <b>4,458</b>   |
| Impairments  | -             | (9,167)                                     | -                                       | -                              | -                              | -                                 | -                                    | <b>(9,167)</b> |
| Reversals of impairments   | -             | (3,263)                                     | -                                       | -                              | -                              | -                                 | -                                    | <b>(3,263)</b> |
| Revaluations   | 452           | 1,242                                       | -                                       | -                              | -                              | -                                 | -                                    | <b>1,694</b>   |
| Reclassifications  | 31            | 3,090                                       | (3,642)                                 | 13                             | 53                             | 456                               | -                                    | <b>0</b>       |
| <b>Valuation/gross cost at 31 March 2018</b>                           | <b>11,327</b> | <b>35,312</b>                               | <b>2,152</b>                            | <b>824</b>                     | <b>240</b>                     | <b>2,469</b>                      | <b>25</b>                            | <b>52,349</b>  |
| <b>Accumulated depreciation at 01 April 2017</b>                       | <b>-</b>      | <b>2,156</b>                                | <b>-</b>                                | <b>414</b>                     | <b>126</b>                     | <b>812</b>                        | <b>16</b>                            | <b>3,524</b>   |
| Provided during the year   | -             | 2,023                                       | -                                       | 64                             | 20                             | 326                               | 2                                    | <b>2,434</b>   |
| Reversals of impairments   | -             | (3,839)                                     | -                                       | -                              | -                              | -                                 | -                                    | <b>(3,839)</b> |
| <b>Accumulated depreciation at 31 March 2018</b>                       | <b>-</b>      | <b>340</b>                                  | <b>-</b>                                | <b>478</b>                     | <b>146</b>                     | <b>1,138</b>                      | <b>18</b>                            | <b>2,120</b>   |
| <b>Net book value at 31 March 2018</b>                                 | <b>11,327</b> | <b>34,972</b>                               | <b>2,152</b>                            | <b>346</b>                     | <b>94</b>                      | <b>1,331</b>                      | <b>7</b>                             | <b>50,229</b>  |
| <b>Net book value at 01 April 2017</b>                                 | <b>10,844</b> | <b>41,254</b>                               | <b>1,336</b>                            | <b>397</b>                     | <b>61</b>                      | <b>1,201</b>                      | <b>9</b>                             | <b>55,102</b>  |



### Note 17.3 Property, plant and equipment financing – 2018/19

|  | Land<br>£000  | Buildings<br>excluding<br>dwellings<br>£000 | Assets<br>under<br>construction<br>£000 | Plant and<br>machinery<br>£000 | Transport<br>equipment<br>£000 | Information<br>technology<br>£000 | Furniture<br>and<br>fittings<br>£000 | Total<br>£000 |
|--|---------------|---|---|--------------------------------|--------------------------------|-----------------------------------|--------------------------------------|---------------|
| <b>Net book value at 31 March 2019</b> |               |   |   |                                |                                |                                   |                                      |               |
| Owned – purchased                      | 11,185        | 32,160                                      | 4,040                                   | 303                            | 71                             | 1,003                             | 6                                    | <b>48,769</b> |
| Owned - donated                        | -             | 848   | -                                       | -                              | -                              | -                                 | -                                    | <b>884</b>    |
| <b>NBV total at 31 March 2019</b>      | <b>11,185</b> | <b>33,008</b>                               | <b>4,040</b>                            | <b>303</b>                     | <b>71</b>                      | <b>1,003</b>                      | <b>6</b>                             | <b>49,617</b> |

### Note 17.4 Property, plant and equipment financing - 2017/18

|  | Land<br>£000  | Buildings<br>excluding<br>dwellings<br>£000 | Assets<br>under<br>construction<br>£000 | Plant and<br>machinery<br>£000 | Transport<br>equipment<br>£000 | Information<br>technology<br>£000 | Furniture<br>and<br>fittings<br>£000 | Total<br>£000 |
|--|---------------|---|---|--------------------------------|--------------------------------|-----------------------------------|--------------------------------------|---------------|
| <b>Net book value at 31 March 2018</b> |               |   |   |                                |                                |                                   |                                      |               |
| Owned – purchased                      | 11,327        | 34,088                                      | 2,152                                   | 346                            | 94                             | 1,331                             | 7                                    | <b>49,345</b> |
| Owned - donated                        | -             | 884   | -                                       | -                              | -                              | -                                 | -                                    | <b>884</b>    |
| <b>NBV total at 31 March 2018</b>      | <b>11,327</b> | <b>34,972</b>                               | <b>2,152</b>                            | <b>346</b>                     | <b>94</b>                      | <b>1,331</b>                      | <b>7</b>                             | <b>50,229</b> |

**Note 18 Donations of property, plant and equipment**

No donations of property, plant and equipment to report as at 31st March 2019.

**Note 19 Revaluations of property, plant and equipment**

All property, plant and equipment is 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.

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

Revaluations 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. These valuations are carried out by professionally qualified valuers in accordance with Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

The latest full revaluation was undertaken as at 31 March 2018 by independent valuers "Grimleys". A desktop valuation has been carried out as at 31 March 2019 which is reflected in these financial statements. No changes to values noted other than depreciation since March 2018.

The carrying value of plant and equipment is written off over their remaining useful lives and new plant and equipment is carried at depreciated historic cost as this is not considered to be materially different from fair value.

**Note 20.1 Investment Property**

|  | 2018/19<br>£000 | 2017/18<br>£000 |
|--|-----------------|-----------------|
| Carrying value at 01 April – brought forward | <u>200</u>      | <u>200</u>      |
| Carrying value at 31 March                   | <u>200</u>      | <u>200</u>      |

## Note 20.2 Investment property income and expenses

|  | 2018/19<br>£000 | 2017/18<br>£000 |
|--|-----------------|-----------------|
| Direct operating expense arising from investment property which generated rental income in the period        | (4)             | (15)            |
| Direct operating expense arising from investment property which did not generate rental income in the period | -               | -               |
| <b>Total investment property income</b>  | <b>(4)</b>      | <b>(15)</b>     |
| Investment property income   | 19              | 67              |

## Note 21 Disclosure of interests in other entities

Entities over which the trust has the power to exercise control are classified as subsidiaries and are consolidated. The Trust has control when it has the ability to affect the variable returns from the other entity through its power to direct relevant activities. The income, expenses, assets, liabilities, equity and reserves of the subsidiary are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to non-controlling interests are included as a separate item in the Statement of Financial Position.

Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the trust or where the subsidiary's accounting date is not coterminous.

Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

During 2015/16 the Trust established an operating company, 7 Hills Care and Support Ltd wholly owned by the Trust and which has currently remained dormant during 2018/19.

## Note 22 Inventories

|                                       | 31 March<br>2019<br>£000 | 31 March<br>2018<br>£000 |
|---------------------------------------|--------------------------|--------------------------|
| Drugs                                 | 90                       | 71                       |
| Consumables                           | 1                        | 1                        |
| <b>Total inventories</b>              | <b>91</b>                | <b>72</b>                |
| <b>of which:</b>                      |                          |                          |
| Held at fair value less costs to sell | 91                       | 72                       |

Inventories recognised in expenses for the year were £717k (2017/18: £342k). Write-down of inventories recognised as expenses for the year were £15k (2017/18: £12k).

Write-down of inventories are in relation to expired and damaged drugs mainly.

## Note 23.1 Trade receivables and other receivables

|   | 31 March<br>2019<br>£000 | 31 March<br>2018<br>£000 |
|---|--------------------------|--------------------------|
| <b>Current</b>  |                          |                          |
| Contact receivables*  | 12,588                   |                          |
| Trade receivables*  |                          | 6,609                    |
| Accrued income*   |                          | 5,622                    |
| Allowance for impaired contract receivables / assets*       | (710)                    |                          |
| Allowance for other impaired receivables                    | -                        | (939)                    |
| Prepayments (non-PFI)                                       | 822                      | 621                      |
| Interest receivable   | -                        | 10                       |
| PDC dividend receivable                                     | -                        | 191                      |
| VAT receivable  | 297                      | 217                      |
| Corporation and other taxes receivable                      | 36                       | -                        |
| Other receivables   | -                        | 33                       |
| <b>Total current trade and other receivables</b>            | <b>13,032</b>            | <b>12,364</b>            |
| <b>Non-current</b>  |                          |                          |
| Trade receivables*  |                          | 4,651                    |
| Prepayments (non-PFI)                                       | 273                      | 302                      |
| Other receivables   | 5,058                    | -                        |
| <b>Total non-current trade and other receivables</b>        | <b>5,331</b>             | <b>4,953</b>             |
| <b>Of which receivables from NHS and DHSC group bodies:</b> |                          |                          |
| Current   | 10,290                   | 9,378                    |
| Non-current   | -                        | -                        |

\*Following the application of IFRS 15 from 1 April 2018, the trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15.

## Note 23.2 Allowances for credit losses - 2018/19

|  | Contract<br>receivables and<br>contract assets<br>£000 | All other<br>receivables<br>£000 |
|--|--|----------------------------------|
| <b>Allowances as at 01 April 2018 – brought forward</b>          | -  | 939                              |
| Impact of implementing IFRS 9 (and IFRS 15) on 01 April 2018     | 939  | (939)                            |
| New allowances arising   | 449  | -                                |
| Changes in existing allowances                                   | -  | -                                |
| Reversals of allowances  | (526)  | -                                |
| Utilisation of allowances (write offs)                           | (152)  | -                                |
| Changes arising following modification of contractual cash flows | -  | -                                |
| Foreign exchange and other changes                               | -  | -                                |
| <b>Allowances as at 31 March 2019</b>                            | <b>710</b>   | <b>-</b>                         |

## Note 23.3 Allowances for credit losses - 2017/18

IFRS 9 and IFRS 15 are adopted without restatement therefore this analysis is prepared in line with the requirements of IFRS 7 prior to IFRS 9 adoption. As a result it differs in format to the current period disclosure.

|  | All receivables<br>£000 |
|--|-------------------------|
| <b>Allowances as at 01 April 2017 – as previously stated</b> | <b>455</b>              |
| Prior period adjustments                                     | -                       |
| <b>Allowances as at 01 April 2017 – restated</b>             | <b>455</b>              |
| Increase in provision  | 681                     |
| Amounts utilised   | -                       |
| Unused amounts reversed                                      | (197)                   |
| <b>Allowances as at 31 March 2018</b>                        | <b>939</b>              |

## Note 24 Exposure to credit risk

No material exposure to credit risk identified as 31 March 2019

## Note 25 Other assets

No other assets to report in financial years 2017/18 and 2018/19. Other assets in this context refers to for example "EU emissions trading scheme allowance"

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

No assets held for sale and asset in disposal groups to report for financial year 2018/19.

**Note 27 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.

|   | 2018/19<br>£000 | 2017/18<br>£000 |
|---|-----------------|-----------------|
| <b>At 01 April</b>                                | <b>30,899</b>   | <b>27,756</b>   |
| Prior period adjustments                          | -               | -               |
| Net change in year                                | 10,034          | 3,143           |
| <b>At 31 March</b>                                | <b>40,933</b>   | <b>30,899</b>   |
| <b>Broken down into:</b>                          |                 |                 |
| Cash at commercial banks and in hand              | 203             | 231             |
| Cash with the Government Banking Service          | 40,730          | 30,668          |
| <b>Total cash and cash equivalents as in SoFP</b> | <b>40,933</b>   | <b>30,899</b>   |
| Bank overdrafts (GBS and commercial banks)        | -               | -               |
| <b>Total cash and cash equivalents as in SoCF</b> | <b>40,933</b>   | <b>30,899</b>   |

**Note 27.1 Third party assets held by the Trust**

The Trust held cash and cash equivalents which relate to monies held by 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. These balances relate to monies managed by the Trust in relation to Individual Service Funds and residential financial services.

|                                 | 31 March<br>2019<br>£000 | 31 March<br>2018<br>£000 |
|---------------------------------|--------------------------|--------------------------|
| Bank balances                   | 52                       | 351                      |
| Monies on deposit               | 41                       | 400                      |
| <b>Total third party assets</b> | <b>93</b>                | <b>751</b>               |

## Note 28.1 Trade and other payables

|  | 31 March<br>2019<br>£000 | 31 March<br>2018<br>£000 |
|--|--------------------------|--------------------------|
| <b>Current</b>   |                          |                          |
| Trade payables   | 1,679                    | 1,667                    |
| Capital payables   | 870                      | 842                      |
| Accruals   | 3,590                    | 4,006                    |
| Other taxes payable                                      | 1,415                    | 1,783                    |
| PDC dividend payable                                     | 15                       | -                        |
| Other payables   | 1,236                    | 1,177                    |
| <b>Total current trade and other payables</b>            | <b>8,805</b>             | <b>9,475</b>             |
| <b>Non-current</b>                                       |                          |                          |
| Trade payables   | -                        | -                        |
| <b>Total non-current trade and other payables</b>        | <b>-</b>                 | <b>-</b>                 |
| <b>Of which payables from NHS and DHSC group bodies:</b> |                          |                          |
| Current  | 575                      | 596                      |
| Non-current  | -                        | -                        |

## Note 29 Other liabilities

|  | 31 March<br>2019<br>£000 | 31 March<br>2018<br>£000 |
|--|--------------------------|--------------------------|
| <b>Current</b>                             |                          |                          |
| Deferred income: contract liabilities      | 25                       | 34                       |
| <b>Total other current liabilities</b>     | <b>25</b>                | <b>34</b>                |
| <b>Non-current</b>                         |                          |                          |
| Net pension scheme liability               | 5,792                    | 4,843                    |
| <b>Total other non-current liabilities</b> | <b>5,792</b>             | <b>4,843</b>             |

Sheffield Health and Social Care NHS Foundation Trust has no loans in place to declare as at 31 March 2019.

## Note 30 Provisions for liabilities and charges analysis

|   | Pensions:<br>injury<br>benefits* | Legal<br>claims | Re-structuring | Redundancy | Other      | Total        |
|---|----------------------------------|-----------------|----------------|------------|------------|--------------|
|   | £000                             | £000            | £000           | £000       | £000       | £000         |
| <b>At 01 April 2018</b>                             | <b>718</b>                       | <b>261</b>      | <b>81</b>      | <b>499</b> | <b>852</b> | <b>2,410</b> |
| Change in the discount rate                         | (12)                             | -               | -              | -          | -          | (12)         |
| Arising during the year                             | 87                               | 33              | -              | 9          | 80         | 209          |
| Utilised during the year                            | (53)                             | (92)            | -              | (310)      | (51)       | (506)        |
| Reclassified to liabilities held in disposal groups | -                                | -               | -              | -          | -          | -            |
| Reversed unused                                     | -                                | (115)           | -              | -          | (174)      | (289)        |
| Unwinding of discount                               | 2                                | -               | -              | -          | -          | 2            |
| <b>At 31 March 2019</b>                             | <b>742</b>                       | <b>87</b>       | <b>81</b>      | <b>198</b> | <b>707</b> | <b>1,814</b> |
| <b>Expected timing of cash flows:</b>               |                                  |                 |                |            |            |              |
| - not later than one year                           | 54                               | 87              | 81             | 198        | 639        | 1,059        |
| - later than one year and not later than five years | 214                              | -               | -              | -          | 68         | 282          |
| - later than five years                             | 474                              | -               | -              | -          | -          | 474          |
| <b>Total</b>  | <b>742</b>                       | <b>87</b>       | <b>81</b>      | <b>198</b> | <b>707</b> | <b>1,815</b> |

Legal claims relate to claims brought against the Trust for Employer's Liability or Public Liability. These cases are handled by NHS Resolution, who provide an estimate of the Trust's probable liability. Actual costs incurred are subject to the outcome of legal action. The eventual settlement costs and legal costs may be higher or lower than provided. Costs in excess of £10,000 per case are covered by NHS Resolution and are not included above. A provision of £742,000 relates to Injury Benefits. These are payable to current and former members of staff who have suffered injury at work. These cases have been adjudicated by the NHS Pensions Authority. The value shown is the value of payments due to the individuals for the term indicated by Government Actuary life expectancy tables, and the actual value of this figure represents the main uncertainty in the amounts shown. (31 March 2018 - £718,000).



**Note 31 Clinical negligence liabilities**

At 31 March 2019, £3,138k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Sheffield Health and Social Care NHS Foundation Trust (31 March 2018: £2,695k).

**Note 32 Contingent assets and liabilities**

|  | 31 March<br>2019<br>£000 | 31 March<br>2018<br>£000 |
|--|--------------------------|--------------------------|
| <b>Value of contingent liabilities</b>       |                          |                          |
| NHS Resolution legal claims                  | (78)                     | (50)                     |
| <b>Gross value of contingent liabilities</b> | <u>(78)</u>              | <u>(50)</u>              |
| Amounts recoverable against liabilities      | -                        | -                        |
| <b>Net value of contingent liabilities</b>   | <u>(78)</u>              | <u>(133)</u>             |
| <b>Net value of contingent assets</b>        | -                        | -                        |

Legal claims contingent liabilities represent the consequences of losing all current third party legal claim cases. Redundancy contingent liabilities represent potential redundancies where there may be an outflow of resources embodying future economic benefits in settlement of: a) a present obligation; or b) a possible obligation whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. Other Contingent liabilities arise from unexpected events that give rise to the possibility of an outflow of resources embodying economic benefits.

**Note 33 Contractual capital commitments**

|                               | 31 March<br>2019<br>£000 | 31 March<br>2018<br>£000 |
|-------------------------------|--------------------------|--------------------------|
| Property, plant and equipment | 870                      | 842                      |
| Intangible assets             | -                        | -                        |
| <b>Total</b>                  | <u>870</u>               | <u>842</u>               |

**Note 34 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:

No other financial commitments to report for financial years 2017/18 and 2018/19.

## Note 35 Defined benefit pension schemes

### South Yorkshire Pensions Fund - Retirement Benefit Obligations

The total defined benefit pension loss for 2018/19 in respect of the local government scheme administered by South Yorkshire Pensions Authority was £565,000 (31 March 2018 - £629,000). A pension deficit of £5,792,000 is included in the Statement of Financial Position as at 31 March 2019 (31 March 2018 - £4,843,000).

The terms of the current partnership agreement with Sheffield City Council provide that any long term pension liability arising from the scheme will be funded by the Council, with the exception of any pension changes which relate to an increase in salary in excess of any local government grading agreements. The impact on the current and prior year statement of consolidated income and taxpayers equity relating to the application of IAS 19 - 'Employee Benefits' within the accounts of the Trust is therefore negated in its majority by the inclusion of a corresponding non-current receivable with the Council. As at 31 March 2019, the deficit on the scheme was £5,792,000 (31 March 2018 - £4,843,000 deficit), the majority of which is offset by a non-current receivable of £5,057,923 (31 March 2018 - £4,650,970).

Estimation of the net liability to pay pensions depends on a number of complex judgements. A firm of consulting actuaries is engaged by South Yorkshire Pensions Authority to provide expert advice about the assumptions made, such as mortality rates and expected returns on pension fund assets.

Pension increases or revaluations for public sector schemes are based on the Consumer Prices Index ("CPI") measure of price inflation. The main actuarial assumptions used at the date of the statement of financial position in measuring the present value of defined benefit scheme liabilities are:

|  | <b>31 Mar<br/>2019</b> | <b>31-Mar<br/>2018</b> |
|--|------------------------|------------------------|
|  | <b>%</b>               | <b>%</b>               |
| Rate of inflation                                  | <b>2.2</b>             | 2.1                    |
| Rate of increase in salaries                       | <b>3.5</b>             | 3.4                    |
| Rate of increase in pensions and deferred pensions | <b>2.3</b>             | 2.2                    |
| Discount rate                                      | <b>2.4</b>             | 2.6                    |

The current life expectancies at age 65 underlying the accrued liabilities for the scheme are:

|   |             |      |
|---|-------------|------|
| Non retired member – Male (aged 65 in 20 years' time)   | <b>25.3</b> | 25.2 |
| Non retired member – Female (aged 65 in 20 years' time) | <b>28.3</b> | 28.1 |
| Retired member – Male                                   | <b>23.1</b> | 23.0 |
| Retired member – Female                                 | <b>25.9</b> | 25.8 |

The fair value of the scheme's assets and liabilities recognised in the balance sheet were as follows:

|   | <b>Scheme<br/>assets %</b> | <b>31 March<br/>2019<br/>£000</b> | <b>Scheme<br/>assets %</b> | <b>31 March<br/>2018<br/>£000</b> |
|---|----------------------------|-----------------------------------|----------------------------|-----------------------------------|
| Equities                                    | 50.85                      | <b>11,561</b>                     | 55.87                      | 12,078                            |
| Government Bonds                            | 12.97                      | <b>2,949</b>                      | 11.34                      | 2,451                             |
| Other Bonds                                 | 10.15                      | <b>2,308</b>                      | 9.96                       | 2,153                             |
| Property                                    | 9.67                       | <b>2,198</b>                      | 9.14                       | 1,976                             |
| Cash/liquidity/other                        | 16.36                      | <b>3,720</b>                      | 13.69                      | 2,959                             |
| <b>Total fair value of assets</b>           | 100.00                     | <b>22,736</b>                     | 100.00                     | 21,617                            |
| Present value of defined benefit obligation |                            | <b>(28,528)</b>                   |                            | (26,460)                          |
| <b>Net retirement benefit deficit</b>       |                            | <b><u>(5,792)</u></b>             |                            | <b><u>(4,843)</u></b>             |

IAS19 mean that rather than recognising the expected gain during the year from scheme assets in finance income and the interest cost during the year arising from the unwinding of the discount on the scheme liabilities recognised in finance costs; we now present the net interest cost during the year within finance costs.

Actuarial gains and losses are not presented; rather the re-measurements of the defined benefit plan are disclosed and recognised in the income and expenditure reserve.

Movements in the present value of the defined benefit obligations are:

|  | <b>2019<br/>£000</b>   | <b>2018<br/>£000</b>   |
|--|------------------------|------------------------|
| At 01 April                              | <b>(26,460)</b>        | (27,443)               |
| Current service cost                     | <b>(410)</b>           | (460)                  |
| Interest on pension liabilities          | <b>(681)</b>           | (682)                  |
| Member contributions                     | <b>(82)</b>            | (89)                   |
| Actuarial (losses) / gain on liabilities | <b>(1,519)</b>         | 1,738                  |
| Benefits paid                            | <b>653</b>             | 476                    |
| Curtailments                             | <b>(29)</b>            | -                      |
| <b>At 31 March</b>                       | <b><u>(28,528)</u></b> | <b><u>(26,460)</u></b> |

Movements in the fair value of the scheme's assets were:

|   | 2019<br>£000  | 2018<br>£000  |
|---|---------------|---------------|
| At 01 April                               | 21,617        | 20,729        |
| Expected return on plan assets            |               |               |
| Interest on plan assets                   | 560           | 519           |
| Actuarial losses on assets – current year |               |               |
| Remeasurements (assets)                   | 707           | 347           |
| Administration expenses                   | (5)           | (6)           |
| Employer contributions                    | 428           | 415           |
| Member contributions                      | 82            | 89            |
| Benefits paid                             | (653)         | (476)         |
| <b>At 31 March</b>                        | <b>22,736</b> | <b>21,617</b> |

The net pension expense recognised in operating expenses in respect of the scheme is:

|   | Year ended   |              |
|---|--------------|--------------|
|   | 2019<br>£000 | 2018<br>£000 |
| Current service cost                        | (410)        | (460)        |
| <b>Pension expense to operating surplus</b> | <b>(410)</b> | <b>(460)</b> |
| Net interest cost                           | (121)        | (163)        |
| Administration expenses                     | (5)          | (6)          |
| Curtailments                                | (29)         | -            |
| <b>Pension expense</b>                      | <b>(155)</b> | <b>(169)</b> |
| <b>Net pension charge</b>                   | <b>(565)</b> | <b>(629)</b> |

The reconciliation of the opening and closing statement of financial position is as follows:

|   | 2019<br>£000   | 2018<br>£000   |
|---|----------------|----------------|
| At 01 April                             | (4,843)        | (6,714)        |
| Expenses recognised                     | (565)          | (629)          |
| Actuarial losses recognised             |                |                |
| Remeasurements (liabilities and assets) | (812)          | 2,085          |
| Contributions paid                      | 428            | 415            |
| <b>At 31 March</b>                      | <b>(5,792)</b> | <b>(4,843)</b> |

Re measurement gains and losses are recognised directly in the Income and Expenditure reserve. However, the majority of the gains and losses are covered by the back to back agreement with Sheffield City Council (further information is provided at note 1.7. At 31 March 2019, a cumulative amount of £721,000 was recorded in the Income and Expenditure Reserve (31 March 2018 £196,000).

The history of the scheme for the current and prior year is:

|   | <b>2019</b>           | 2018                  |
|---|-----------------------|-----------------------|
|   | <b>£000</b>           | £000                  |
| Present value of defined benefit obligation | (28,528)              | (26,460)              |
| Fair value of scheme assets                 | 22,736                | 21,617                |
| <b>Net retirement obligation</b>            | <b><u>(5,792)</u></b> | <b><u>(4,843)</u></b> |

Experience losses on scheme liabilities in remeasurement for 2018/19 are £nil (year ended 31 March 2018 £nil) and experience gains on scheme assets are £nil (year ended 31 March 2018 £nil).

**Note 35.1 Changes in the defined benefit obligation and fair value of plan assets during the year**

|   | <b>2018/19</b>  | <b>2017/18</b>  |
|---|-----------------|-----------------|
|   | <b>£000</b>     | <b>£000</b>     |
| <b>Present value of defined benefit obligation at 01 April</b>                | <b>(26,460)</b> | <b>(27,443)</b> |
| Prior period adjustment   | -               | -               |
| <b>Present value of the defined benefit obligation at 01 April - restated</b> | <b>(26,460)</b> | <b>(27,443)</b> |
| Transfers by absorption   | -               | -               |
| Current service cost  | (410)           | (460)           |
| Interest cost   | (681)           | (682)           |
| Contribution by plan participants   | (82)            | (89)            |
| Remeasurement of the net defined benefit (liability) / asset                  |                 |                 |
| - Actuarial (gains) / losses  | (1,519)         | 1,738           |
| Benefits paid   | 653             | 476             |
| Curtailments and settlements  | (29)            | -               |
| <b>Present value of the defined benefit obligation at 31 March</b>            | <b>(28,528)</b> | <b>(26,460)</b> |
| <b>Plan assets at fair value at 01 April</b>                                  | <b>21,617</b>   | <b>20,729</b>   |
| Prior period adjustment   | -               | -               |
| <b>Plan assets at fair value at 01 April - restated</b>                       | <b>21,617</b>   | <b>20,729</b>   |
| Transfers by normal absorption  | -               | -               |
| Interest income   | 560             | 519             |
| - Actuarial (gains) / losses  | 707             | 347             |
| Contributions by the employer   | 423             | 409             |
| Contributions by the plan participants  | 82              | 89              |
| Benefits paid   | (653)           | (476)           |
| <b>Plan assets at fair value at 31 March</b>                                  | <b>22,736</b>   | <b>21,617</b>   |
| <b>Plan surplus/(deficit) at 31 March</b>                                     | <b>(5,792)</b>  | <b>(4,843)</b>  |

**Note 35.2 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<br>2019<br>£000 | 31 March<br>2018<br>£000 |
|--|--------------------------|--------------------------|
| Present value of defined benefit obligation                            | (28,528)                 | (26,460)                 |
| Plan assets at fair value at   | 22,736                   | 21,617                   |
| <b>Net defined benefit (obligation) / asset recognised in the SoFP</b> | <b>(5,792)</b>           | <b>(4,843)</b>           |
| Fair value of any reimbursement right                                  | 5,058                    | 4,651                    |
| <b>Net (liability) / asset recognised in the SoFP</b>                  | <b>(734)</b>             | <b>(192)</b>             |

**Note 35.3 Amounts recognised in the SoCI**

|   | 2018/19<br>£000 | 2017/18<br>£000 |
|---|-----------------|-----------------|
| Current service cost                                | (410)           | (460)           |
| Interest expense / income                           | (121)           | (163)           |
| Losses on curtailment and settlement                | (29)            | -               |
| <b>Total net (charge) / gain recognised in SoCI</b> | <b>(560)</b>    | <b>(623)</b>    |

**Note 36 Financial instruments**

**Note 36.1 Financial risk management**

IFRS 7, 'Financial Instruments: Disclosures', 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 Clinical Commissioning Groups and the way those Clinical Commissioning Groups 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 international 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 Trust's treasury management operations are carried out by the finance department within the parameters defined formally within the Trust's Standing Financial Instructions and policies agreed by the Board of Directors.

## Note 37.1 Carrying values of financial assets

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

|  | Held at<br>amortised<br>cost<br>£000 | Held at fair<br>value through<br>I&E<br>£000 | Held at<br>fair<br>value<br>through<br>OCI<br>£000 | Total<br>book<br>value<br>£000 |
|--|--------------------------------------|--|--|--------------------------------|
| <b>Assets as per SoFP as at 31 March 2018</b>              |                                      |  |  |                                |
| Trade and other receivables excluding non financial assets | 16,936                               | -  | -  | <b>16,936</b>                  |
| Cash and cash equivalents at bank and in hand              | 40,933                               | -  | -  | <b>40,933</b>                  |
| <b>Total at 31 March 2019</b>                              | <b><u>57,869</u></b>                 | <b><u>-</u></b>                              | <b><u>-</u></b>                                    | <b><u>57,869</u></b>           |

The financial assets which have a floating rate of interest are cash held at the Government Banking Service and cash held with commercial banks. This cash is held on short term deposit. All other financial assets, including non-current assets, are non interest bearing. The Trust has no financial assets with fixed interest rates.

|   | Loans and<br>receivables<br>£000 | Assets at fair<br>value through<br>the I&E<br>£000 | Held to<br>maturity<br>£000 | Available-<br>for-sale<br>£000 | Total<br>book<br>value<br>£000 |
|---|----------------------------------|--|-----------------------------|--------------------------------|--------------------------------|
| <b>Carrying values of financial assets as at 31 March 2018 under IAS 39</b> |                                  |  |                             |                                |                                |
| Trade and other receivables excluding non financial assets                  | -                                | -  | -                           | -                              | -                              |
| Cash and cash equivalents at bank and in hand                               | -                                | -  | -                           | -                              | -                              |
| <b>Total at 31 March 2018</b>   | <b><u>-</u></b>                  | <b><u>-</u></b>                                    | <b><u>-</u></b>             | <b><u>-</u></b>                | <b><u>-</u></b>                |



**Note 37.2 Carrying value of financial liabilities**

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

|  | Held at<br>amortised<br>cost<br>£000 | Held at fair<br>value<br>through the<br>I&E<br>£000 | Total<br>book<br>value<br>£000 |
|--|--------------------------------------|---|--------------------------------|
| <b>Carrying values of financial liabilities as<br/>at 31 March 2019 under IFRS 9</b> |                                      |   |                                |
| Trade and other payables excluding non<br>financial liabilities                      | 7,375                                | -   | 7,375                          |
| Other financial liabilities  | -                                    | -   | -                              |
| <b>Total at 31 March 2019</b>  | <b>7,375</b>                         | <b>-</b>  | <b>7,375</b>                   |

|  | Other<br>financial<br>liabilities<br>£000 | Liabilities at<br>fair value<br>through the<br>I&E<br>£000 | Total<br>book<br>value<br>£000 |
|--|---|--|--------------------------------|
| <b>Carrying values of financial liabilities as<br/>at 31 March 2018 under IAS 39</b> |   |  |                                |
| Trade and other payables excluding non<br>financial liabilities                      | -   | -  | -                              |
| Other financial liabilities  | -   | -  | -                              |
| <b>Total at 31 March 2017</b>  | <b>-</b>                                  | <b>-</b>   | <b>-</b>                       |

**Note 37.3 Fair values of financial assets and liabilities**

The fair value of the Trust's financial assets and financial liabilities at 31 March 2019 equates to the book value.

**Note 37.4 Maturity of financial liabilities**

|   | <b>31 March<br/>2019<br/>£000</b> | <b>31 March<br/>2018<br/>£000</b> |
|---|-----------------------------------|-----------------------------------|
| In one year or less                                 | 7,375                             | 6,515                             |
| In more than one year but not more than two years   | -                                 | -                                 |
| In more than two years but not more than five years | -                                 | -                                 |
| In more than five years                             | -                                 | -                                 |
| <b>Total</b>  | <b><u>7,375</u></b>               | <b><u>6,515</u></b>               |

**Note 38 Losses and special payments**

Over the year the values of losses and special payments have increased by £109k in comparison to year 2017/18. These include write-off of aged debtors £15k, stock losses of £14k, claims in respect of utilisation of provision for litigation cases £91k, damage to property £28k, the remaining are distributed between ex-gratia payments mainly. The numbers of cases (82) have increased compared to last year (32 in year 2017/18) and they have been reported mainly in Q4 2018/19.

|   | <b>2018/19</b>                                  |  | <b>2017/18</b>                                  |  |
|---|---|--|---|--|
|   | <b>Total<br/>number of<br/>cases<br/>number</b> | <b>Total<br/>value of<br/>cases<br/>£000</b> | <b>Total<br/>number<br/>of cases<br/>number</b> | <b>Total<br/>value of<br/>cases<br/>£000</b> |
| <b>Losses</b>   |   |  |   |  |
| Cash losses   | 4   | 1  | 2   | 0  |
| Fruitless payments  | -   | -  | 1   | 5  |
| Bad debts and claims<br>abandoned   | 13  | 15   | -   | -  |
| Stores losses and damage to<br>property                                   | 31  | 42   | 5   | 14   |
| <b>Total losses</b>   | <b>48</b>                                       | <b>58</b>                                    | <b>8</b>  | <b>19</b>                                    |
| <b>Special payments</b>   |   |  |   |  |
| Compensation under court order<br>or legally binding arbitration<br>award | 15  | 91   | 11  | 52   |
| Extra-contractual payments  | -   | -  | -   | -  |
| Ex-gratia payments  | 19  | 33   | 13  | 2  |
| Special severance payments  | -   | -  | -   | -  |
| Extra-statutory and extra-<br>regulatory payments                         | -   | -  | -   | -  |
| <b>Total special payments</b>   | <b>34</b>                                       | <b>124</b>                                   | <b>24</b>                                       | <b>54</b>                                    |
| <b>Total losses and special<br/>payments</b>                              | <b>82</b>                                       | <b>182</b>                                   | <b>32</b>                                       | <b>73</b>                                    |
| Compensation payments<br>received   |   | -  |   | -  |

**Details of cases individually over £300k**

No individual cases over £300k to report as at 31 March 2019

**Note 39 Gifts**

No gifts to report for financial years 2017/18 and 2018/19

**Note 40.1 Initial application of IFRS 9**

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to reserves on 1 April 2018.

IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Under IFRS 9, borrowings from the Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings increased by £0k, and trade payables correspondingly reduced.

Reassessment of allowances for credit losses under the expected loss model resulted in a £0k decrease in the carrying value of receivables.

**Note 40.2 Initial application of IFRS 15**

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the income and expenditure reserve on 1 April 2018.

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related Interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

As directed by the GAM, the Trust has applied the practical expedient offered in C7A of the standard removing the need to retrospectively restate any contract modifications that occurred before the date of implementation (1 April 2018).

**Note 41 Related parties**

Sheffield Health and Social Care NHS Foundation Trust is a corporate body established by order of the Secretary of State for Health.

During the year the Trust has had transactions with a number of organisations with which key employees / directors of the Trust have some form of relationship. These are detailed below:

| <b>Related Party (Register of Interest 2018/19)</b> | <b>Receipts from Related Party<br/>£000</b> | <b>Payments to Related Party<br/>£000</b> | <b>Amounts due from Related Party<br/>£000</b> | <b>Amounts owed to Related Party<br/>£000</b> |
|---|---|---|--|---|
| Sheffield City Council                              | <b>6,517</b>                                | <b>642</b>                                | <b>535</b>                                     | <b>0</b>                                      |
| South Yorkshire Housing Association                 | <b>1,979</b>                                | <b>219</b>                                | <b>666</b>                                     | <b>73</b>                                     |
| NHS Improvement                                     | <b>67</b>                                   | <b>0</b>                                  | <b>79</b>                                      | <b>0</b>                                      |

The relationships are:

- One of the Non-Executive Directors undertakes unpaid consultancy for South Yorkshire Housing Association.
- One of the Non-Executive Directors is the Deputy Leader of Sheffield City Council.
- The Executive Medical Directors is the Associate National Clinical Director for Mental Health at NHS Improvement.

Amounts owed to related parties are unsecured, interest-free and have no fixed terms of repayment. The balances will be settled in cash. No guarantees have been given or received. Provisions for doubtful debts have been raised against amounts outstanding where deemed appropriate in respect of some Sheffield City Council services but no other expenses are recognised in year in respect of bad or doubtful debts due from related parties.

The Trust is required, under International Accounting Standard 24 'Related Party Disclosures', to disclose any related party transactions. The objective of IAS 24 is to draw attention to the possibility that the reported financial position and results may have been affected by the existence of related parties and by material transactions with them. In the cases above, all payments shown have been made by the Trust to the organisations concerned and not to the individual officers.

The value of related party transactions with board members in 2018/19 is £nil (2017/18 £nil). Details of Directors' remuneration and pensions can be found in the Remuneration Report of the accounts. Disclosures relating to salaries of Board members are given in Note 9.1 Further details of Executive and Non-Executive Directors' salaries and pensions can be found in the Remuneration Report in the Annual Report.



## Other related parties

The value of the Trust's transactions with other related parties during the year is given below:

|                                      | <b>2018/19</b>         |                             | <b>2017/18</b>         |                             |
|--------------------------------------|------------------------|-----------------------------|------------------------|-----------------------------|
|                                      | <b>Income<br/>£000</b> | <b>Expenditure<br/>£000</b> | <b>Income<br/>£000</b> | <b>Expenditure<br/>£000</b> |
| Department of Health and Social Care | <b>2,091</b>           | <b>0</b>                    | 1,303                  | 0                           |
| Other NHS bodies                     | <b>113,610</b>         | <b>3,651</b>                | 108,706                | 4,329                       |
| Other bodies (including WGA)         | <b>5,810</b>           | <b>16,689</b>               | 8,246                  | 16,688                      |
| <b>Total</b>                         | <b>121,511</b>         | <b>20,340</b>               | <b>118,255</b>         | <b>21,017</b>               |

The value of receivables and payables balances held with related parties as at the date of the statement of financial position is given below:

|                                      | <b>2018/19</b>              |                          | <b>2017/18</b>              |                          |
|--------------------------------------|-----------------------------|--------------------------|-----------------------------|--------------------------|
|                                      | <b>Receivables<br/>£000</b> | <b>Payables<br/>£000</b> | <b>Receivables<br/>£000</b> | <b>Payables<br/>£000</b> |
| Department of Health and Social Care | <b>100</b>                  | <b>0</b>                 | 125                         | 0                        |
| Other NHS bodies                     | <b>10,191</b>               | <b>560</b>               | 9,062                       | 596                      |
| Other bodies (including WGA)         | <b>392</b>                  | <b>3,136</b>             | 5,979                       | 3,666                    |
| <b>Total</b>                         | <b>10,683</b>               | <b>3,696</b>             | <b>15,166</b>               | <b>4,262</b>             |

The value of balances (other than salary) with related parties in relation to the provision for impairment of receivables as at 31 March 2019 have been raised where deemed appropriate.

The Department of Health and Social Care ("the Department") is regarded as a related party. During the year, the Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

- Sheffield CCG
- Health Education England
- NHSE - Yorkshire and the Humber Local Office
- NHSE - Yorkshire and the Humber Commissioning Hub
- Barnsley CCG
- North Derbyshire CCG
- Rotherham CCG
- Doncaster CCG
- Southern Derbyshire CCG
- Hardwick CCG
- Derbyshire Healthcare NHS Foundation Trust
- Nottinghamshire Healthcare NHS Foundation Trust
- Rotherham Doncaster and South Humber NHS Foundation Trust

## Staff costs

|   | Permanent     | Other        | 2018/19<br>Total | 2017/18<br>Total |
|---|---------------|--------------|------------------|------------------|
|   | £000          | £000         | £000             | £000             |
| Salaries and wages                          | 73,777        | 627          | 74,404           | 71,241           |
| Social security costs                       | 7,037         | -            | 7,037            | 6,953            |
| Apprenticeship levy                         | 349           | -            | 349              | 345              |
| Employer's contributions to NHS<br>pensions | 8,924         | -            | 8,924            | 8,675            |
| Pension cost - other                        | -             | -            | -                | 623              |
| Termination benefits                        | 66            | -            | 66               | 486              |
| Temporary staff                             | -             | 3,540        | 3,540            | 3,354            |
| <b>Total gross staff costs</b>              | <b>90,153</b> | <b>4,167</b> | <b>94,320</b>    | <b>91,677</b>    |
| Recoveries in respect of seconded<br>staff  | -             | -            | -                | -                |
| <b>Total staff costs</b>                    | <b>90,153</b> | <b>4,167</b> | <b>94,320</b>    | <b>91,677</b>    |
| <b>Of which</b>                             |               |              |                  |                  |
| Costs capitalised as part of assets         | 281           | 24           | 305              | 228              |

## Average number of employees (WTE basis)

|  | Permanent<br>Number | Other<br>Number | 2018/19<br>Total<br>Number | 2017/18<br>Total<br>Number |
|--|---------------------|-----------------|----------------------------|----------------------------|
| Medical and dental                                       | 63                  | 88              | 151                        | 147                        |
| Ambulance staff  | -                   | -               | -                          | -                          |
| Administration and estates                               | 403                 | 33              | 436                        | 446                        |
| Healthcare assistants and other<br>support staff         | 658                 | 78              | 735                        | 745                        |
| Nursing, midwifery and health<br>visiting staff          | 498                 | 5               | 503                        | 658                        |
| Nursing, midwifery and health<br>visiting learners       | -                   | 4               | 4                          | 7                          |
| Scientific, therapeutic and<br>technical staff           | 253                 | 17              | 271                        | 255                        |
| Social care staff  | -                   | -               | -                          | 77                         |
| Other  | -                   | 6               | 6                          | 6                          |
| <b>Total average numbers</b>                             | <b>1,875</b>        | <b>231</b>      | <b>2,106</b>               | <b>2,341</b>               |
| <b>Of which:</b>   |                     |                 |                            |                            |
| Number of employees (WTE)<br>engaged on capital projects | 4                   | -               | 4                          | 6                          |

### Reporting of compensation schemes - exit packages 2018/19

Exit packages are related to compulsory redundancies as a result of restructures across the Trust.

| Exit package cost band (including any special payment element) | Number of compulsory redundancies | Number of other departures agreed | Total number of exit packages |
|--|-----------------------------------|-----------------------------------|-------------------------------|
| <£10,000   | -                                 | -                                 | -                             |
| £10,000-£25,000  | 1                                 | -                                 | 1                             |
| £25,001-£50,000  | 4                                 | -                                 | 4                             |
| £50,001-£100,000   | -                                 | -                                 | -                             |
| £100,001-£150,000  | -                                 | -                                 | -                             |
| <b>Total number of exit packages by type</b>                   | <b>7</b>                          | <b>-</b>                          | <b>7</b>                      |
| <b>Total cost</b>  | <b>£367,000</b>                   | <b>£0</b>                         | <b>£367,000</b>               |

### Reporting of compensation schemes - exit packages 2017/18

Exit packages are related to compulsory redundancies as a result of restructures across the Trust and MARS.

| Exit package cost band (including any special payment element) | Number of compulsory redundancies | Number of other departures agreed | Total number of exit packages |
|--|-----------------------------------|-----------------------------------|-------------------------------|
| <£10,000   | 1                                 | 13                                | 14                            |
| £10,000-£25,000  | 2                                 | 6                                 | 8                             |
| £25,001-£50,000  | 3                                 | 1                                 | 4                             |
| £50,001-£100,000   | 2                                 | -                                 | 2                             |
| £100,001-£150,000  | -                                 | -                                 | -                             |
| <b>Total number of exit packages by type</b>                   | <b>8</b>                          | <b>20</b>                         | <b>28</b>                     |
| <b>Total cost</b>  | <b>£294,000</b>                   | <b>£191,593</b>                   | <b>£485,593</b>               |

## Exit packages: other (non-compulsory) departure payments

|  | 2018/19                      |                                      | 2017/18                      |                                      |
|--|------------------------------|--------------------------------------|------------------------------|--------------------------------------|
|  | Payments<br>agreed<br>number | Total value of<br>agreements<br>£000 | Payments<br>agreed<br>number | Total value of<br>agreements<br>£000 |
| Voluntary redundancies<br>including early retirement<br>contractual costs  | -                            | -                                    | -                            | -                                    |
| Mutually agreed<br>resignations (MARS)<br>contractual costs  | -                            | -                                    | 11                           | 159                                  |
| Early retirements in the<br>efficiency of the service<br>contractual costs   | -                            | -                                    | -                            | -                                    |
| Contractual payments in<br>lieu of notice  | -                            | -                                    | 9                            | 33                                   |
| Exit payments following<br>Employment Tribunals or<br>court orders   | -                            | -                                    | -                            | -                                    |
| Non-contractual payments<br>requiring HMT approval   | -                            | -                                    | -                            | -                                    |
| <b>Total</b>   | <b>-</b>                     | <b>-</b>                             | <b>20</b>                    | <b>192</b>                           |
| <b>Of which:</b>   |                              |                                      |                              |                                      |
| Non-contractual payments<br>requiring HMT approval<br>made to individuals where<br>the payment value was<br>more than 12 months' of<br>their annual salary | -                            | -                                    | -                            | -                                    |

## **Section 7.0 Glossary**

### **Accounts Payable (Creditor)**

A supplier who has delivered goods or services in the accounting period and has invoiced the Trust, but has not yet been paid.

### **Accounts Receivable (Debtor)**

An organisation which has received a service from the Trust in the accounting period and has been invoiced by the Trust, but has not yet paid.

### **Amortisation**

Depreciation of Intangible Assets.

### **Annual Governance Statement (AGS)**

A statement about the controls the Foundation Trust has in place to manage risk.

### **Annual Accounts**

Documents prepared by the Trust to show its financial position.

### **Annual Report**

A document produced by the Trust which summarises the Trust's performance during the year, including the annual accounts.

### **Asset**

Something which is owned by the Trust. For example, a building or a piece of equipment, some cash or an amount of money owed to the Trust.

### **Audit Opinion**

The auditor's opinion of whether the Trust's accounts show a true and fair view of its financial affairs. If the auditors are satisfied with the accounts, they will issue an unqualified audit opinion.

### **Available Held for Sale (AHFS)**

Assets are classed as available for sale if they are held neither for trading nor to maturity. An example of this would be an investment without a maturity date such as an ordinary share.

### **Budget**

Represents the amount of money available for a service in a period of time and is compared to actual spend for the same period.

### **Capital Expenditure**

Money spent on buildings and valuable pieces of equipment such as major computer purchases.

### **Cash and cash equivalents**

Cash includes cash in hand and cash at the bank. Cash equivalents are any other deposits that can be converted to cash straight away.

**Cash Equivalent Transfer Value (Pensions)**

This is the total value of the pension scheme benefits accrued (i.e. saved up) which are the contributions paid by a member of staff and the Trust over the period of employment. These funds are invested and valued at a point in time by an actuary. The cash equivalent transfer value is the amount which would be transferred, if a staff member moved to work for a different organisation.

**Control Total**

An agreed financial control total for all NHS Providers, calculated on a Trust-by-Trust basis and designed to ensure the NHS provider sector achieves financial balance in 2018/19. Access to the Provider Sustainability Fund is dependent on agreement and delivery of the control total.

**Corporation tax**

A tax payable on a company's profits. Foundation Trusts may have to pay corporation tax in the future. The legislation introducing corporation tax to Foundation Trust has been deferred and 2011/2012 was the first year that Government introduced corporation tax to Foundation Trusts.

**Care Quality Commission (CQC)**

The independent regulator of all health and social care services in England.

**CQUINs**

Commissioning for Quality and Innovation payments framework were set up in 2009/10 to encourage care providers to continually improve how care is delivered.

**Current Assets**

These are assets, which are normally used or disposed of within the financial year.

**Current Liabilities**

Represents monies owed by the Trust that are due to be paid in less than one year.

**Deferred Income**

Funding received from another organisation in advance of when we will spend it.

**Depreciation**

An accounting charge which represents the use, or wearing out, of an asset. The cost of an asset is spread over its useful life.

**EBITDA**

Earnings Before Interest, Tax Depreciation and Amortisation – this is an indicator of financial performance and profitability and indicates the ability to pay the dividends due to the Government in respect of the 3.5% return on assets the Trust is expected to achieve.

**External Auditor**

The independent professional auditor who reviews the accounts and issues an opinion on whether the accounts present a true and fair view.

**Finance lease**

An arrangement whereby the party leasing the asset has most or all of the use of an asset, and the lease payments are akin to repayments on a loan.

**Financial statements**

Another term for the annual accounts.

**Foundation Trust Annual Reporting Manual (FT ARM)**

The guidance document, published annually by Monitor, setting out the accounting requirements for Foundation Trust's Annual Report. Previously included technical guidance on the Accounts, which is now provided within the Department of Health and Social Care (DHSC) Government Accounting Manual.

**Going concern**

The accounts are prepared on a going concern basis which means that the Trust expects to continue to operate for at least the next 12 months.

**DHSC Government Accounting Manual (GAM)**

Provides the accounting guidance for all NHS bodies, now including Foundation Trusts. Guidance specific to Foundation Trusts in respect of the Annual Report is still included in the Foundation Trust Annual Reporting Manual (FT ARM).

**IFRS (International Financial Reporting Standards)**

The professional standards organisations must use when preparing the annual accounts.

**Impairment**

A decrease in the value of an asset.

**Income and Expenditure Reserve**

This is an accumulation of transfers to / from the Revaluation Reserve as well as the cumulative surpluses and deficits reported by the Trust, including amounts brought forward from previous years.

**Intangible asset**

An asset which is without substance, for example, computer software.

**Inventories**

Stocks such as clinical supplies, medical equipment, pharmacy stock.

**Liability**

Something which the Trust owes, for example, a bill which has not been paid.

**Liquidity ratio**

Liquidity is a measure of how easily an asset can be converted into cash. Bank deposits are very liquid, debtors less so. The liquidity ratio is a measure of an entity's ability to meet its obligations, in other words how well it can pay its bills from what it owns.

**MEA (Modern Equivalent Asset)**

This is an instant build approach, using alternative site valuation in some circumstances.

**Net Book Value**

The net book value is the lower of the cost to the business to replace a fixed asset or the recoverable amount if the asset was sold (net of expenses).

**NHS Improvement (NHSI)**

NHS Improvement is responsible for overseeing foundation trusts and NHS trusts, as well as independent providers that provide NHS-funded care. From 1 April, NHS England and NHS Improvement came together to act as a single organisation. Their aim is to better support the NHS and help improve care for patients.

**NICE**

National Institute for Health and Care Excellence. NICE provide independent, evidence-based guidance on the most effective ways to prevent, diagnose and treat disease and ill health, reducing inequalities and variation.

**NIHR**

National Institute for Health Research. The NIHR is a large, multi-faceted and nationally distributed organisation, funded through the Department of Health and Social Care to improve the health and wealth of the nation through research.

**Non-current assets held for sale**

Buildings that are no longer used by the Trust and declared surplus by the Board, which are available for sale.

**Non-current asset or liability**

An asset or liability which the Trust expects to hold for longer than one year.

**Non-Executive Director**

These are members of the Trust's Board of Directors, however they do not have any involvement in the day-to-day management of the Trust. Their role is to provide the Board with independent challenge and scrutiny.

**Operating lease**

An arrangement whereby the party leasing the asset is paying for the provision of a service (the use of the asset) rather than exclusive use of the asset.

**Payment By Result/Payment by Outcomes**

A national tariff of fixed prices that reflect national average prices for hospital procedures. Already in use in acute trusts and currently being developed for mental health and learning disabilities services.

**POMH**

The national Prescribing Observatory for Mental Health (POMH-UK) aims to help specialist mental health Trusts/healthcare organisations improve their prescribing practice.

**Primary statements**

The four main statements that make up the accounts: the Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Taxpayers' Equity; and Statement of Cash Flows.

**Provisions for Liabilities and Charges**

These are amounts set aside for potential payments to third parties, which are uncertain in amount or timing, for example, claims arising from litigation.



**Provider Sustainability Fund (PSF)**

PSF replaces the 'Sustainability and Transformation Fund' (STF) from year 2018/19 and it is the additional funding administered by NHS Improvement, which is intended to incentivise Trusts to achieve their Control Totals. It breaks down into three areas – Finance, General Distribution and Bonus.

**Public Dividend Capital (PDC)**

This is a type of public sector equity finance based on the excess of assets over liabilities at the time of the establishment of the predecessor NHS Trust. It is similar to a company's share capital.

**Public Dividend Capital Payable (PDC Payable)**

This is an annual amount paid to the Government for funds made available to the Trust.

**Reference Cost**

The costs of the Trust's services are produced for the Department of Health for comparison with other similar Trusts.

**Revaluation Reserve**

This represents the increase or decrease in the value of property, plant and equipment over its historic cost.

**Service Line Reporting (SLR)**

A system which identifies income and expenditure and then produces gross profit across defined 'business units', with the aim of improving quality and productivity.

**Single Oversight Framework**

The Single Oversight Framework is designed to help NHS providers attain, and maintain, ratings of 'Good' or 'Outstanding'. The Framework doesn't give a performance assessment in its own right. It applies from 01 October 2016 and replaces the Monitor **Risk Assessment Framework** and the NHS Trust Development Authority Accountability Framework.

**South Yorkshire and Bassetlaw Integrated Care System (ICS)**

Integrated Care Systems are a way of working, collaboratively, between a range of health and social care organisations, to help improve people's health. South Yorkshire and Bassetlaw ICS is a group of local Organisations that embrace similar aims in the provision of the broad spectrum of healthcare.

**Statement of Cash Flows (SOCF)**

Shows the cash flows in and out of the Trust during the period.

**Statement of Changes in Taxpayers' Equity (SOCITE)**

This statement shows the changes in reserves and public dividend capital during the period.

**Statement of Comprehensive Income (SOCI)**

This statement was previously called 'Income and Expenditure Account'. It summarises the expenditure on pay and non-pay running costs less income received, which results in a surplus or deficit.

### **Statement of Financial Position (SOFPP)**

A year-end statement which provides a snapshot of the Trust's financial position at a point in time. The top half shows the Trust's total net assets (assets minus liabilities). The bottom half shows the Taxpayers Equity or investment in the Trust.

### **Third Sector Organisations**

This is a term used to describe the range of organisations that are neither public sector nor private sector. It includes voluntary and community organisations (both registered charities and other organisations such as associations, self-help groups and community groups), social enterprises, mutuals and co-operatives.

### **True and fair**

It is the aim of the accounts to show a true and fair view of the Trust's financial position, that is they should faithfully represent what has happened in practice.

### **UK GAPP (Generally Accepted Accounting Practice)**

The standard basis of accounting in the UK before international standards were adopted.

### **Unrealised gains and losses**

Gains and losses may be realised or unrealised. Unrealised gains and losses are gains or losses that the Trust has recognised in its accounts but which are potential as they have not been realised. An example of a gain that is recognised but unrealised is where the value of the assets has increased. This gain is realised when the assets are sold or otherwise used.

### **Use of Resources Metric**

The new approach replacing the previous Financial Sustainability Risk Rating. The Use of Resources rating measures 5 metrics; Capital Service Cover, Liquidity, I&E Margin, I&E Variance from Plan and Agency spend, with equal weightings (1 being the highest overall score). The Financial Sustainability Risk Rating previously only measured the first four on equal weightings.

## **Section 8.0 Contacts**

### **Sheffield Health and Social Care NHS Foundation Trust Headquarters**

Fulwood House  
Old Fulwood Road  
Sheffield  
S10 3TH  
Tel: 0114 2716310 (24 hour switch board)  
[www.shsc.nhs.uk](http://www.shsc.nhs.uk)

### **Human Resources**

If you are interested in a career with Sheffield Health and Social Care NHS Foundation Trust, visit the Trust website ([www.shsc.nhs.uk](http://www.shsc.nhs.uk)) and click on 'Working for the Trust'.

### **Communications**

If you have a media enquiry, require further information about our Trust or would like to request copies of this report please contact the Communications Manager.

Email: [communications@shsc.nhs.uk](mailto:communications@shsc.nhs.uk)

Tel: 0114 2264082

### **Membership**

If you want to become a member of the Trust or want to find out more about the services it provides, please contact the Deputy Board Secretary on 0114 2718825.

### **Contacting members of the Council of Governors**

The Governors can be contacted by emailing [governors@shsc.nhs.uk](mailto:governors@shsc.nhs.uk) or by phoning 0114 2718825.

### **Freedom of Information**

To make a Freedom of Information Act request, please email [FOI@shsc.nhs.uk](mailto:FOI@shsc.nhs.uk)

For more information or if you would like this document provided in a different language or large print please contact:

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