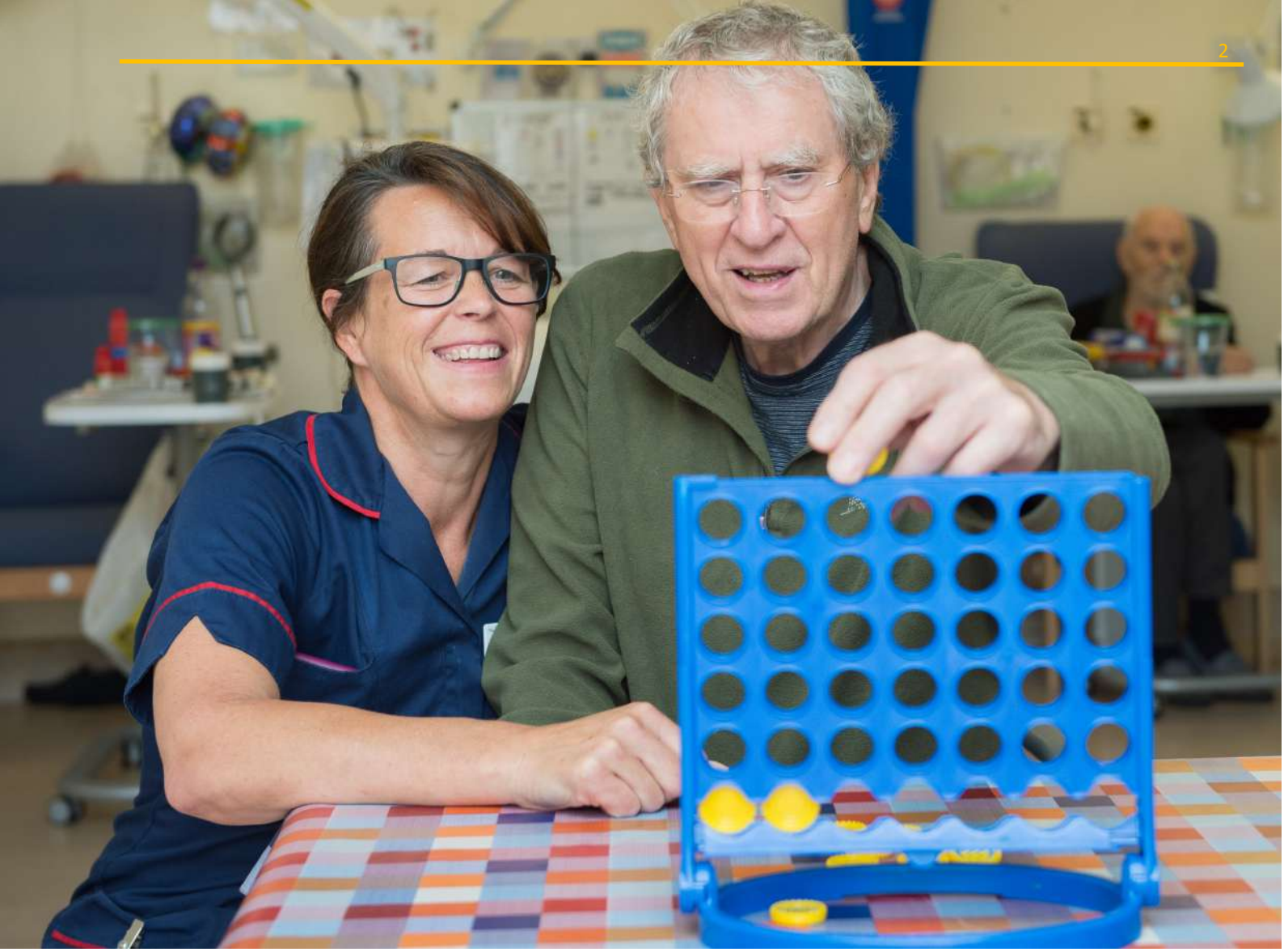
NHS
The Shrewsbury and Telford Hospital
NHS Trust

Annual Report and Accounts 2018/19

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A message from our Chair

Ben Reid
Chair

Welcome to our Annual Report for 2018/19. This year we have given the report a fresh new look in order to make it a more accessible and meaningful document. We hope you like the new look and would welcome any feedback.

This time last year I talked about our Trust being on a journey to improve care for the 500,000 people we serve. The most important journies can sometimes also be the most difficult, and there is no escaping that this has been a difficult year for everyone connected with SaTH.

Our inspection report by the Care Quality Commission and the results of our annual NHS Staff Survey have made for particularly difficult reading and they serve to illustrate what I said last year: that our journey would involve a lot of hard work.

There will be no quick fixes for many of the issues that we face. Despite a real desire to move as fast as possible, we are determined to ensure that we take a considered approach to ensure we fix things properly and we don't see a re-occurrence in the future.

Our real challenge is to ensure that, while we are making changes to deliver long-term improvements, we maintain our focus on delivering a first class service on a day-to-day basis. We are determined to ensure we don't lose sight of our fundamental responsibility to support our local communities throughout this period of change.

All of this work will put considerable pressure on the teams across the Trust and we need to be mindful of this in our plans. Our staff already do great work, often in difficult circumstances, and I would like to record our appreciation for this. I am confident that, with their continuing support, and that of our nearly 1,000 volunteers who make an invaluable contribution, we can move this Trust forward.

Our hospitals are at the heart of our community and we are fortunate to be supported by some fantastic fundraisers. I would like to thank groups such as the Lingen Davies Cancer Fund, League of Friends of the Royal Shrewsbury Hospital and Friends of Princess Royal Hospital, as well as the many other individuals and groups who helped raise an incredible £363,000 for the SaTH Charity this year.

Our fundraising was boosted by our charity fun day, held to mark the 70th anniversary of the NHS. Thousands of people turned out in glorious weather and it was a joy to be part of the day, which demonstrated the public's support for this great institution.

As we move into the new year, we are clear about the challenges we face, but we also are mindful of the exciting opportunities ahead of us. Key to this is the reconfiguration of our two hospitals to ensure that we improve care and outcomes for our patients and working conditions for our dedicated staff.

A message from our Chief Executive

Simon Wright
Chief Executive

I want to start by saying a huge thank you to our staff and volunteers for everything they have done this year.

This has been one of the most challenging years I have experienced working in the NHS. I've been humbled and heartened by the many messages of support and I know our people really appreciate the thanks shown to them for the care patients and their loved ones have received.

We don't always get things right. Sometimes we have not delivered to the high standards we set, but we are working hard to learn from mistakes and build a more robust organisation for the future.

The challenges we face have been well-documented. Our estate is struggling with the demands placed on it. We need more staff, and continue to work hard to increase our substantive workforce. With our Staff Survey results nowhere near where we want them to be, it's vital for our 6,000 people that we examine how we can improve their experience.

Quality and safety concerns have arisen, linked to workforce shortages and the need to supplement our leadership cadre, with our CQC rating and the move to Special Measures putting into sharp focus the tasks ahead of us.

All members of the Board and Senior Leadership Team are committed to engaging with our people as we get to the root of these issues and look to establish permanent, robust solutions that remove historic risks and strategic frailties.

Throughout this challenging period, our people have continued to provide hundreds of examples of care we can be proud of, such as staff on AMU at PRH who took home clothes to wash and bought replacements for a homeless patient; A&E Consultant Adrian Marsh, who made sure a patient was treated in time to be bridesmaid at her sister's wedding; or midwife Beccy Ebrey, who collected presents to make gift bags for babies delivered over Christmas.

In November, thanks to the hard work of Trust colleagues, we secured the nurses and middle-grade doctors needed to prevent overnight closure of A&E at the Princess Royal Hospital. The additional cost of keeping our two A&Es open was supported by our partners but we received no extra funding, which created an additional £4.6 million cost pressure.

Our Emergency Departments remain fragile, but we demonstrated commitment to our patients while we await the strategic solution which will create a more sustainable future and provide better clinical outcomes.

Our Frailty Intervention Team is being showcased by NHS England in a video being shown nationally to highlight this great service; our AAA Screening team has the highest uptake in the country—helping to detect and treat potentially life-threatening Abdominal Aortic Aneurysms; and we have been one of the best trusts in the country for Referral to Treatment —constantly performing above the national average and hitting the challenging 92% target on 14 out of the last 18 months.

The next 12 months is about removing many legacy issues with significant investments in quality and service, estates, equipment and technology, with over £30 million being identified to make a real impact. We will build on our continuous engagement with our population, making better connections and working ever closer with partners across the NHS family and care community to improve the way we all integrate to see real improvements for patients, visitors and staff.

SaTH: A year in pictures

APRIL

Staff donned their pyjamas to support the national *End PJ Paralysis* campaign to improve recovery, shorten hospital stays and boost the morale of patients and staff by encouraging patients to get up and dressed every day, where practical.

MAY

We launched hand-crafted, custom-made blue butterflies to support our *Living Well With Dementia Appeal*. Profits from the butterflies, created by Oswestry's British Ironwork Centre, help our hospitals create dementia-friendly spaces and buy equipment and resources to help reduce confusion, anxiety and distress for patients with dementia.

JUNE

In another fundraising initiative, we teamed up with Ironbridge -based traditional teddy bear manufacturer Merrythought to create Bevan The Bear to celebrate the 70th anniversary of the NHS. He is named after Aneurin Bevan who, as Minister for Health, spearheaded the creation of the NHS.

JULY

We celebrated the 70th anniversary of the NHS with a charity fun run and fun day. Around 2,000 people turned out for the event in glorious weather, raising money for our *Living Well With Dementia Appeal* and end of life care Swan Fund.

AUGUST

A&E doctor Adrian Marsh was thanked for saving the day when he came to the aid of a bridesmaid on the morning of her sister's wedding. Charlotte Nutt injured her ankle while getting ready, but Adrian, realising the importance of the day, rushed things through to get her to the church on time.

SEPTEMBER

We celebrated the achievements of our incredible staff and volunteers at our annual Values in Practice (VIP) Awards. In keeping with the NHS70 celebrations, the 1940s themed event was held amongst the vintage aircraft at RAF Cosford. Nine awards were presented on the night with 26 finalists in attendance.

OCTOBER

Shrewsbury Midwife-Led Unit fully reopened after a £500,000 refurbishment. Heavy snowfall had damaged the roof of the MLU, so the Trust took the opportunity to revamp the unit with natural lighting in the birthing rooms, the addition of a birthing couch and a fresh look to the birthing pool.

NOVEMBER

Healthcare Assistant Susie Price from the Intensive Therapy Unit at the Royal Shrewsbury Hospital created a brilliant new wash table for patients. With the help of carpenter Sean Roberts, holes were cut into a bedside table to allow wash basins to be slotted in, so patients can wash and clean themselves without fear of spills.

DECEMBER

ITU Staff Nurse Andre Goncalves from the Princess Royal Hospital and ITU Staff Nurse Heather Rushworth, who works at the Royal Shrewsbury Hospital, designed innovative new information boards to improve care for patients. The boards contain important information about the patient – both personal and medical – for the clinical team caring for them.

JANUARY

End of Life Care Facilitator Jules Lewis was named one of the country's *100 Outstanding Nurses* in a poll conducted by We Nurses, part of the online 'We Community' which is run by healthcare professionals to share ideas and expertise.

FEBRUARY

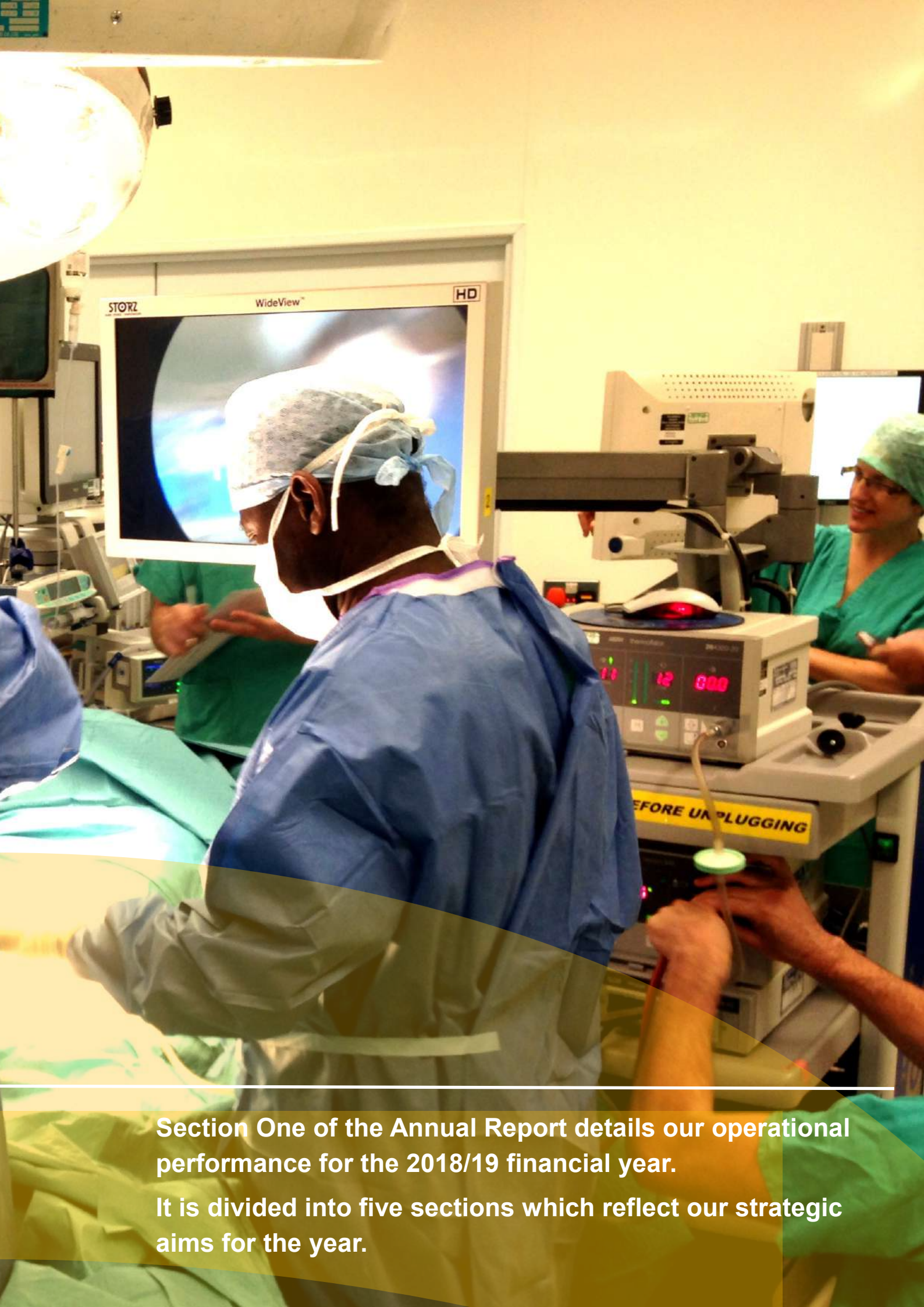
More than 88% of men eligible for Abdominal Aortic Aneurysm (AAA) screening in Shropshire and Telford & Wrekin were scanned – the highest uptake in the country—thanks to the efforts of our AAA screening team. They screened more than 2,500 men over the age of 65 for an aneurysm, which can be life threatening if not detected early enough.

MARCH

We became one of the first trusts in the country to have new registered Nursing Associates. We were involved in a national pilot project to develop the role, in partnership with the University of Wolverhampton.

SECTION ONE

PERFORMANCE REPORT



Section One of the Annual Report details our operational performance for the 2018/19 financial year.

It is divided into five sections which reflect our strategic aims for the year.

Our aims

PATIENT AND FAMILY

Listening to and working with our patients and families to improve healthcare

SAFEST AND KINDEST

Our patients and staff will tell us they feel safe and received kind care

HEALTHIEST HALF MILLION

Working with our partners to promote healthy choices for all our communities

LEADERSHIP

Innovative and inspirational leadership to deliver our ambitions

OUR PEOPLE

Creating a great place to work

Our ambitions

IMPROVE PATIENT CARE

Create empty beds to stop the boarding of patients, providing safer and kinder care

REDUCE RELIANCE ON TEMPORARY STAFF

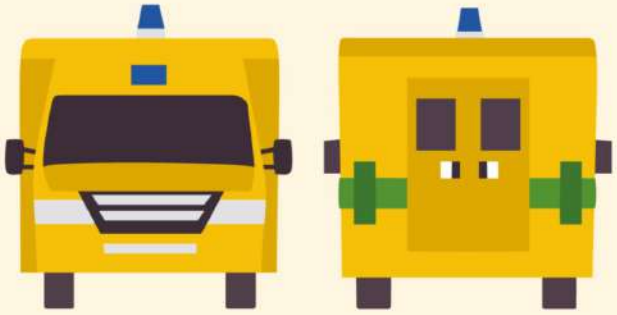
Improve our vacancy rate by 25%

BECOME MORE EFFICIENT

Reduce waste in our processes and embed our Transforming Care methodology

Our hospitals in 2018/19

770 AMBULANCES PER WEEK



123,000 (TYPE 1) A&E ATTENDEES

58,379 EMERGENCY ADMISSIONS (INC CDU)

NHS FRIENDS AND FAMILY TEST

95% OF A&E ATTENDEES WOULD RECOMMEND OUR HOSPITALS

97% OF OUTPATIENTS WOULD RECOMMEND OUR HOSPITALS

99% OF INPATIENTS WOULD RECOMMEND OUR SERVICES

99% OF MATERNITY USERS WOULD RECOMMEND OUR TRUST

WORKFORCE

4.47% SICKNESS RATE

87.43% APPRAISALS

ACCESS

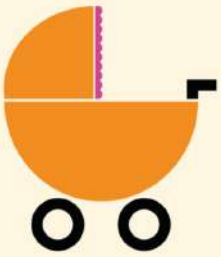
76% PATIENTS ADMITTED TRANSFERRED OR DISCHARGED WITHIN 4 HOURS OF ARRIVING AT A&E

6,100 STAFF

950 VOLUNTEERS

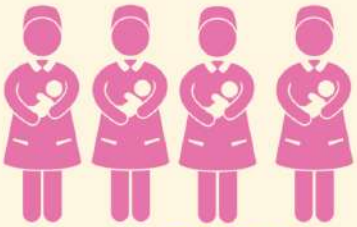
663,000 PATIENT INTERVENTIONS

WOMEN & CHILDREN'S



9,190 PAEDIATRIC INPATIENTS

130,697 OUTPATIENTS IN WOMEN AND CHILDREN'S



4,511 BABIES DELIVERED THIS YEAR

PLANNED CARE

422,000 OUTPATIENT APPOINTMENTS

54,000 DAY CASE AND ELECTIVE IMPATIENT SPELLS

PATIENT AND FAMILY

Listening to and working with our patients and families to improve healthcare

WORKING WITH THE PEOPLE WE SERVE

The NHS belongs to the people it serves and at SaTH we continue to look at the best ways to improve the care we provide by listening to, and working with, patients, families and carers.

This year, we launched our People's Academies to give members of the populations we serve the chance to learn more about what we do and to see behind-the-scenes.

We continue to involve patients in the design of our services. Through our Transforming Care work we have enlisted the help of a blind patient to improve Opthalmology; new mums, their families and our own staff were involved in the refurbishment of Shrewsbury Midwife Led Unit and patients have joined us in helping to examine the future look of our two hospitals following reconfiguration.

This year also saw the unveiling of a number of features gifted to us by patients in thanks for the work we have done, or in memory of loved ones they have lost.

To mark the 70th anniversary of the NHS, we unveiled a sculpture created by the British Ironwork Centre, as a thank you from owner and chairman Clive Knowles, who had been a patient with us. We also unveiled a colourful mural on the entrance to the Women and Children's Centre from the charity Let's Go Quackers.

In December, a memorial to the thousands of organ donors who have saved or transformed lives was unveiled at PRH and in the summer we created the 'White Garden' at RSH as a legacy for Ella and Lola, the daughters of Kelly Jones, and other families affected by the loss of a baby.


Bay 2
Nurse Station
Fire exit
Side Room

PEOPLE'S ACADEMY

This year saw the launch of The People's Academy and The Young People's Academy, both giving members of the local population an opportunity to learn more about their local hospital and see behind-the-scenes in our Pathology and Radiology services.

At the end of the first 12 months, 121 people had completed an Academy course, and 18 individuals continued their involvement with the Trust, helping us with projects ranging from accessibility of our new Fertility Services and Rapid Process Improvement Weeks looking at a range of services, to Values-based Interviews and Observe and Act training (see page 17).

We look forward to increasing both the number of people involved with us and the opportunities we are able to offer them over the coming year.

OUR AMBITIONS: BECOME MORE EFFICIENT

Outlined within the 2018/19 Operational Plan was the requirement to improve the Outpatient provision for Gynaecology and Colposcopy at RSH.

The driver for this was the service's Outpatients facilities not meeting the Cervical Screening Quality Assurance requirements. This had a major impact upon the privacy and dignity of patients.

Essential improvements to the clinic area have now been completed and have a positive impact on the quality of care being received by our patients.

OUR AMBITIONS: IMPROVE PATIENT CARE

Proposals for the future model of maternity services in Shropshire have been approved to progress to public consultation by Shropshire and Telford & Wrekin Clinical Commissioning Groups following completion of an NHS England assurance process during 2018/19.

The key milestone timeline for the new Transforming Midwifery Care programme (formally the CCG model review) has been amended to reflect the option appraisal process and the need to engage with the Joint Health Overview and Scrutiny Committee of Shropshire and Telford & Wrekin Councils following local elections in Telford & Wrekin in May 2019.

The public consultation of the model aims to begin in September 2019 for a period of eight weeks. It is hoped that the final outcome and recommendations from this consultation will be made by February 2020.

OBSERVE AND ACT

The purpose of Observe and Act is to look at a person's total experience of a service from the patient/carer perspective, provide real-time feedback, learn from it, share good practice and, where necessary, act to make improvements.

At the end of March, a total of 16 staff members and patient representatives had been trained to carry out Observe and Act followed by immediately taking part in a practical exercise to put into practice what they had learned.

Areas which have been visited include:

- Ward 22 Respiratory
- Ward 21 Frail & Complex
- Outpatients Clinics D, E & F (PRH)
- Fracture Clinic (RSH)
- Fracture Clinic (PRH)
- Out Patients Clinic 2 (RSH)
- External public pathway and access (RSH)
- Mytton Restaurant (RSH)
- Ophthalmology (RSH)
- Audiology (RSH)
- Pre-Op Assessment (PRH)
- Pathology (RSH)
- Radiology (RSH)

Some feedback we have received:

"Observe and Act has good potential as a tool to help improve the way in which the hospital and clinics are run. Feedback can be used to improve or slightly better what they have in place." **Marcus Watkin, volunteer**.

"As someone who has received care from our hospital and whose family receives care from our hospital, helping the patient experience be the best it can be is something I'm absolutely passionate about. I work off-site in a non-clinical capacity, so being able to participate with Observe and Act helps me feel more connected to the care of our patients and provides me with the opportunity to help improve the patient experience by sharing observations of good practice from a non-clinical perspective." **Laura Carlyon, Workforce Team.**

EQUALITY AND DIVERSITY

A key achievement in 2018/19 was the Trust's first Stakeholder Consultation Event. In December, a wide variety of community representatives and staff came together to shape our equality and diversity agenda.

Public involvement has included the establishment of a People's Academy, and significant service-user engagement in consultation groups and volunteering. In particular, we have had sustained engagement with community-based stakeholder groups.

To involve people from diverse communities, we continue to support the Prince's Trust scheme for young people, extended our Values-based recruitment and selection programmes, increased workplace training opportunities (including apprenticeships and volunteering) and increased monitoring of the impact of our activities on protected characteristics.

We recognise that to make effective changes in equality and diversity, it must form a key element of our own performance framework. We are monitored on equality and diversity indicators and publish an annual update to the Trust Board. We have recently established an Equality, Diversity and Inclusion Committee to oversee and guide our work in this area.

We recognise the value all our staff give to the care of our patients. As one of the largest employers in the area, this is reflected in the Trust employing a diverse workforce that is representative of the communities we serve.

SAFEST AND KINDEST

Our patients and staff will tell us they feel safe and received kind care

OUR AMBITIONS: IMPROVE PATIENT CARE

Our patients are at the heart of everything we do and we want to deliver the safest and kindest care in the NHS. To do that, we need to overcome a number of challenges, some historic, some which we are dealing with on a day-to-day basis.

In August, the Care Quality Commission (CQC) undertook an inspection of SaTH and gave the Trust an overall rating of 'inadequate'. Our rating for caring remains 'good'.

The CQC identified 79 'must do' requirements and 89 'should do' recommendations. We developed Quality Improvement Plans (QIPs) which began with a thematic analysis of the 'must dos' and 'should dos', which were organised into five areas (Scheduled Care, Unscheduled Care, Women's & Children's, Workforce and Well-led).

For each area an Improvement Steering Group has been set up. These initially 'unpacked' the 'must dos' and 'should dos' to identify the underlying root causes. A total of 261 'must do' root causes were identified. Each steering group has an accountable Executive, who chairs the group and ensures satisfactory progress. The groups collectively review progress and monitor Key Performance Indicators, reporting on a two-weekly basis.

At the end of the most recent fully complete cycle, 59 'must do' root causes were 'signed off' or 'complete', against a target of 63 (94%). In Cycle 5 a further 56 root causes are due for completion. All 'must do' root causes are due for completion by December 2019.

OUR FUTURE HOSPITALS

Healthcare professionals spent a week in March looking at plans for our hospitals to ensure layouts will allow them to deliver the best possible patient care following reconfiguration. Over 50 clinicians, patient representatives and healthcare professionals scrutinised the future designs of PRH and RSH.

Suggestions were made by experts in their field before being submitted to architects with a view of maximising clinical space and getting an even better understanding of workforce skills required to deliver the best care possible. The event used Transforming Care 3P methodology which looks at Production, Preparation and Process. It has been used by the Virginia Mason Institute when developing new hospitals.

Mr Tony Fox, Vascular Surgeon and Medical Advisor to the Transforming Care team, said: “We had patient representatives with us throughout the week, which was really important as it allowed us to test ideas with the people who will be using our services.”

OUR AMBITIONS: IMPROVE PATIENT CARE

Our Sustainable Services Programme progressed significantly during 2018/19. We supported the completion of the NHS Future Fit public consultation facilitated by the two Clinical Commissioning Groups.

On 29 January the decision was made by the joint committee that the Royal Shrewsbury Hospital would be the Emergency site and Princess Royal Hospital will become the planned care site.

Our Board formally approved the Strategic Outline Case on 7 February. This was formally submitted to NHS Improvement on 14 February.

OUR AMBITIONS: IMPROVE PATIENT CARE

We have been targeting 'stranded patients' (those with a length of stay of seven days or more). This work has achieved a 22% improvement on 2017/18.

Clear processes are in place to support the management of stranded patients and all potential super-stranded patients (over 21 days) are case managed initially from 14 days. A weekly system-wide meeting is held to escalate any delays that need system-level or Executive-level support to unblock.

We have improved stranded patient numbers for nine consecutive months and super stranded patient levels are 44% lower than last year.

Transforming Care improvement continues to roll out across all wards to ensure that consistent processes are in place to remove waste from a patient's journey, supporting early and prompt discharge. A 9% improvement has been achieved in discharges before 12pm. This supports early flow to acute medical wards for patients most in need of treatment and care.

OUR AMBITIONS: IMPROVE PATIENT CARE

Lots of work has been undertaken to improve the four-hour standard within our A&Es. We improved our minors performance by developing our nursing workforce, increasing the number of Emergency Nurse Practitioners (ENPs) and revising pathways and processes. Admitted pathways have been more challenged due to limited bed capacity on both sites and some of our discharge processes. Work is on-going to improve in 2019/20.

OUR AMBITIONS: IMPROVE PATIENT CARE

We have maintained Referral-To-Treatment (RTT) performance throughout the majority of 2018/19. However, during Quarter 4 the 92% target was narrowly missed, due to Day Surgery Units being used as escalation areas in times of increased emergency activity.

A number of specialties are at further risk of a deteriorating position including Urology, Respiratory and Ophthalmology, due to the emergency activity pressures, impacting on the capacity to deliver day surgery at both sites.

A Vanguard unit has been in place at RSH for three months to support the position and an additional Vanguard unit at PRH will be in use during the first quarter of 2019/20.

A recovery plan has been developed to bring RTT back in line with target performance by Q2 of 2019/20.

OUR AMBITIONS: IMPROVE PATIENT CARE

During 2018/19 we experienced a number of challenges relating to national cancer targets. We managed to maintain 31 day performance throughout the year, but there have been many challenges relating to maintaining two-week wait and 62 day cancer performance.

It is recognised that improvements are required to increase performance. A review of Multi-Disciplinary Team (MDT) meetings and processes, demand and capacity modelling and tracking patients through their clinical pathways will progress in 2019/20.

OUR AMBITIONS: IMPROVE PATIENT CARE

Our Exemplar Programme has been pivotal in driving sustained quality and safety improvements for Nursing and Midwifery.

Since it was introduced, six wards have successfully achieved Exemplar Status with four more ward areas scheduled to progress through Exemplar in the first two quarters of 2019/20—Paediatrics, Delivery Suite, Chemotherapy Day Unit and Telford Endoscopy Unit.

EXEMPLAR WARDS

Diamond

Ward 21 postnatal

Critical Care PRH

Critical Care RSH

Gold

Ward 16 Stroke

Neonates

Ward 4 T&O

Each area achieving Exemplar has displayed strong leadership to inspire teams to improve and sustain the high exemplar requirements in areas such as care and compassion, professional standards, communications, medicines management, infection control and documentation, directly improving the patient's journey and experience.

The programme utilises Transforming Care Institute improvement methodology to ensure standards are embedded and sustained.

During Quarter 3, in line with other hospital ward accreditation schemes, we strengthened and widened the programme remit by commencing a baseline review of all wards. We did this to understand key themes and trends across the whole organisation and to also identify those areas requiring the most support. This has ensured a standardised, robust approach to continually assessing quality and safety whilst also addressing some of the findings of the CQC inspection in 2018.

Exemplar baseline is a rigorous process and the score will determine which pathway a ward commences.

Since October 2018 we have completed 43 Exemplar baseline assessments with most ward areas receiving at least two assessments. Our aim is for every ward area to have received at least one initial baseline assessment by end of May 2019.

We will continue to build upon the Exemplar Programme during 2019/20 with the continuation of initial baseline assessments and progression of more wards through the Exemplar programme.

PATIENT SURVEYS

Listening to patients' views is essential to providing a patient-centred health service.

The NHS Patient Survey Programme systematically gathers the views of patients about the care they have recently received.

The results of the latest Adult Inpatient Survey, produced by the Care Quality Commission (CQC), found that our patients are treated with dignity and respect, have confidence and trust in the nurses treating them and feel well looked after by non-clinical staff.

In the survey, SaTH scored 9/10 or more in 11 of the 62 questions posed to patients. The Trust scored 8/10 or more in over half of the questions.

There were just four questions in which our score was judged to be statistically significantly worse than in 2016. In one question, SaTH still scored more than 9/10, while in another, we scored 8/10.

SaTH was rated as performing worse than most other trusts in one area, relating to discussions about whether the patient would need further health or social care services after leaving hospital. SaTH scored 7.5/10.

The 2018 survey of maternity care, also carried out by the CQC, found that new mums in Shropshire are confident in the care they receive during labour and birth.

The survey also found that women using our services are treated with dignity and respect during labour and birth.

SaTH scored 8/10 or higher in 65% of the questions asked. Of the 33 questions in which SaTH achieved this score, almost half scored 9/10 or higher.

There were some questions where scores fell, but in four of those seven areas SaTH still scored better than 8/10. SaTH performed better than most other trusts in one question (cleanliness of room/ward) and there were no questions where the Trust performed worse than most other trusts.

HEALTHIEST HALF MILLION

Working with our partners to promote healthy choices for all our communities

OUR AMBITIONS: IMPROVE PATIENT CARE

We are committed to ensuring that as soon as patients are ready to return to their usual place of residence they are supported to do so. In 2018 we launched SaTH2Home to provide rapid, same-day domiciliary care for patients awaiting care packages to start or who require support to settle back to their home. This enables discharge on the day the decision is reached that an individual no longer requires acute care.

To date 2,241 total discharges have been facilitated. 40 complex discharges per week are co-ordinated and progressed by the SaTH2Home team and this is something that we will be building on during 2019/20.

Throughout winter an increase in SaTH2Home capacity has also greatly supported maintaining patient flow and safe discharge.

PATIENT DISCHARGE

In November, health and social care professionals spent a week exploring new ways of getting patients to leave hospital sooner so they can recover in the best possible place.

Representatives from 10 different organisations – including SaTH, Shropshire and Telford & Wrekin CCGs, Shropshire and Telford & Wrekin Councils, and representatives from Shropshire Partners in Care – took part in the event.

During the week the team identified a number of delays and inconsistencies that mean patients are staying in hospital longer than they needed. To remove these defects the team explored possible new ways of working to make the process run smoother.

These included:

- Introducing a complex discharge icon to patient information boards which a nurse can select to alert the specialist discharge team.
- Joint working between Occupational Therapists and Physiotherapists at SaTH and those in the community.
- Producing videos and leaflets to better explain a patient's discharge plan.
- Producing booklets for hospital wards to make staff more aware of discharge plans available for patients with specific needs.


Operating Dept. Orderly

CASE STUDY—ROY'S STORY

A unique team which is transforming care for elderly people in Shropshire is being showcased in a new national video by NHS England.

The Frailty Intervention Team (FIT) started from an idea by SaTH and Shropshire Clinical Commissioning Group (CCG) to help elderly people avoid being admitted onto a hospital ward where they risk lengthier stays and recovery periods.

Working together with Shropshire Community Health NHS Trust and Shropshire Council, a new team combining health and social care professionals was formed. FIT is a fast-track service to get frailer patients over 75 quickly assessed, treated and discharged safely back to their own homes or as close as, where research shows patients make a better, and quicker, recovery.

The team, based next to the Emergency Department at RSH, includes social workers, doctors, advanced nurse practitioners, physiotherapists, occupational therapists and a community matron.

Since its launch, over 100 patients a week who come into assessment areas like the Emergency Department, Acute Medical Unit and Clinical Decision Unit are added to the team's case load, with around 25% discharged before they are admitted onto the wards.

This means that their length of stay is less than 72 hours and the vast majority, over 80%, are discharged straight home.

The hospital has seen a 10% reduction in patients aged over 75 being admitted to wards.

The NHS England video called Roy's Story was commissioned and produced by NHS England.

It features Roy, aged 90, who lives with wife Doreen 83, and shows how FIT helped him after he had suffered a fall.

Jayne Kearns, his daughter, said: "The team visited dad in hospital and took him under their wing and it's been fantastic. They've very much co-ordinated the care. They arranged a hospital bed to come to the house. It was really heart-warming to see all those different agencies joining up for dad's health and safety."

Zoe Cartwright, community matron, said: "Before I was involved with Roy he was in and out of hospital very frequently with chest and urine infections which could be treated effectively at home and since then he hasn't had to go to hospital. There have been five or six occasions when he's been treated at home but in the past he would have been admitted."

FIT is just one part of a much wider programme of work now being developed by healthcare partners, called Shropshire Care Closer to Home. This aims to proactively case manage and deliver care to patients with long-term conditions at risk of repeated admissions so that they can better manage their health and avoid lengthy hospital stays.

OUR AMBITIONS: BECOME MORE EFFICIENT

A key element in our Sustainable Services Programme for the reconfiguration of our hospitals is to implement an Electronic Patient Record (EPR) system.

During 2018/19 we commissioned PA Consulting to develop two reports towards this goal— an outline business case for EPR and an assessment of our IT infrastructure. Both were delivered at the end of January 2019.

SaTH was successful in securing 66% of the £885,000 available in the first year of the Shropshire *Health System Led Investment* (HSLI) allocation. This has provided us with an Options Appraisal to look at the electronic systems in A&E, and new 'data warehouse' servers. These, again, are foundations to larger, more strategic digital projects prior to the move to EPR.

This forms part of the wider digital agenda, and we intend to make further HSLI year two bids. This HSLI is just one aspect of further significant investment needed and we are exploring this in the wider Sustainability & Transformation Partnership (STP) context to ensure digital transformation which will benefit all areas of the local health system.

OUR AMBITIONS: IMPROVE PATIENT CARE

It's been a challenging year in relation to demand within non-elective care. As a result of pressures on both sites we have been unable to consistently ring-fence Ambulatory Care. To realise this objective, and fully utilise same day care, a workshop on the use and criteria of CDU has been booked for early 2019/20. This will bring together stakeholders to analyse root cause problems and develop opportunities.

OUR AMBITIONS: IMPROVE PATIENT CARE

A new Urgent Care Centre at PRH was finalised and in use in November 2018. CCGs and SaTH are working with GP streaming providers at RSH and PRH to improve service throughput with potential access to diagnostics and more clinical pathways.

A new Urgent Treatment Centre (UTC) contract is being developed by the CCGs which will be implemented in 2019/20.

Advanced Nurse Practitioners have completed their training and have developed improved pathways for the minors' stream at both hospitals. This has resulted in much improved performance for minors.

An additional 16 nurses have been recruited to improve the workforce and enable patients to be streamed to clinically appropriate pathways.

OUR AMBITIONS: BECOME MORE EFFICIENT

To enable the continued development of integrated acute and community paediatric care, joined-up working is in place between SaTH and community paediatric teams and tertiary centres. Some of these collaborative pathways are:

Tertiary Centres

- Oncology

Primary and Community Care

- Respiratory
- Gastroenterology
- Children with complex needs and disabilities

These joined up pathways are improving the quality of care being provided to patients within the local health system and will be further strengthened in 2019/20.

NHS 70

On 7 July, we hosted a fun day to mark 70 years of the NHS.

As well as bringing together our own staff and the community, the day was an opportunity to showcase healthy lifestyles with partners including the Lingen Davies Cancer Fund, Shropshire, Staffordshire and Cheshire Blood Bikes and Lions Club, which carried out free blood pressure checks for anyone attending.

The day began with a charity fun run, with 500 people taking part.

The event also saw the unveiling of a stunning heart sculpture, created from obsolete medical equipment by the British Ironwork Centre in Oswestry.

Money raised from the day benefited SaTH's end of life care Swan Fund and the Trust's Living Well With Dementia Appeal.

70
YEARS
OF THE NHS
1948 - 2018

LEADERSHIP

Innovative and Inspirational Leadership to deliver our ambitions

OUR AMBITIONS: BECOME MORE EFFICIENT

We recognise the importance of growing leaders from within the Trust to shape our future direction of travel.

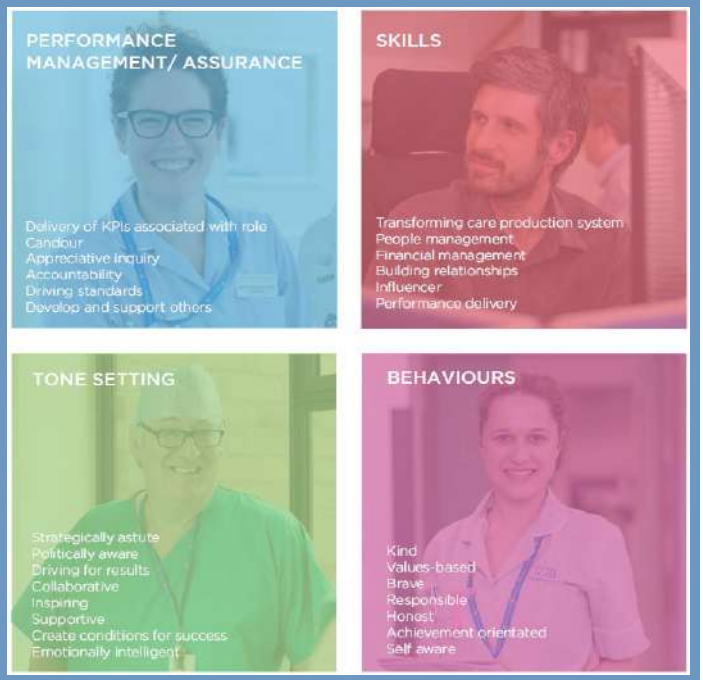
As a result of responses received in the annual NHS Staff Survey, we developed our Leadership Academy to enhance our internal People Strategy. The two key areas of focus moving into 2019/20 will be based on safety and staff engagement.

The purpose of the Academy is to support all our leaders to successfully fulfil their roles and reach their potential. Leadership is a critical success factor to cultural development; to develop a culture that is innovative, safe and kind we will need to ensure all leaders have the necessary skills, knowledge and behaviours.

The Academy has developed the following objectives to ensure it remains fit for purpose and focused:

- Support all leaders to deliver the safest and kindest care
- Develop all leaders to be innovative and inspirational
- Ensure all leaders have the tool kit to do the job
- Support a consistency in leadership behaviour aligned to our Values

To help us achieve this ambition, we have created a Leadership Framework which describes different areas of development. A series of programmes have been developed to support our leaders to meet these expectations.




ALITY IMPROVEMENT BOARD
WARD MANAGER: SR CORRIN DORSETT
PLEASE CONTACT ON EXT. 2315
MATRON: SR STEPHANIE YOUNG
PLEASE CONTACT ON EXT. 2574 / 4479
LOOK AT THE
MONTH

OUR AMBITIONS: BECOME MORE EFFICIENT

2018/19 signified the third year of a five-year journey in partnership with the Virginia Mason Institute in Seattle. Our Transforming Care Institute has developed eight different 'Value Streams' during the year, utilising our Transforming Care Production System (TCPS).

The value streams are:

- Respiratory discharge
- Sepsis
- Recruitment (Non-Medical)
- Ophthalmology Outpatients
- Patient safety reporting
- Radiology
- Emergency department
- Surgical pathway

We have continued with our commitment to educate and engage staff in the methodology. The number of individuals educated and engaged within TPCS methodology is on track, with 3,928 educated and 1,036 engaged.

We are also using TCPS methodology to support the improvement required as identified by the CQC.

LEAN FOR LEADERS

One of the key areas of out Transforming Care methodology is the support and development of our leaders across the organisation.

The behaviours of leaders can create an environment that ensures reliability of a process and the necessary conditions for continuous improvement.

To support leaders in applying the principles and methodologies of our Transforming Care Institute, we run Lean for Leaders training.

At its core, Lean is a business methodology that promotes value to the customer through two guiding tenets: Continuous improvement and respect for people.

Participants learn to apply 'Lean' tools to their own work areas and coach their teams. They are given the tools to lead change effectively by developing standard work for managing daily operations.

At the end of 2018/19, 70 of our people have been through our Lean for Leaders training, with 45 more currently going through the process.

OUR AMBITIONS: BECOME MORE EFFICIENT

As part of the 2017/18 and 2018/19 plans it was established, through NHS Improvement's *Model Hospital*, that we were facing an ever-increasing challenge relating to aging diagnostic equipment.

Model Hospital showed we were in line with peers in relation to scans being completed, but were doing so with a smaller number of scanners which in many cases had exceeded expected lifespan.

We experience diagnostic equipment breakdowns at an ever increasing rate and are now progressing towards our Radiology replacement programme. This programme of work is being overseen by the Capital Planning group.

ENGAGING OUR STAFF

Staff feedback told us our people wanted to be better engaged and involved in what's happening at SaTH. To help us achieve this we have recruited 50 Engagement Champions.

Champions will share ideas, suggestions or feedback to senior leaders, while being a trusted voice that helps to provide insight into climate, morale and engagement along with further areas to develop or review.

The key responsibilities of our Engagement Champions are:

Champion the voice of front-line staff and the service they represent; share staff feedback from the service and influence the work of our Engagement and Enablement Group; share learnings and best practice; encourage and empower colleagues to make improvements to their services; identify best methods of communication for their specific Care Group and service.

OUR AMBITIONS: BECOME MORE EFFICIENT

The Women and Children's Care Group has experienced a challenging year in relation to income loss. As a result there has been a key focus on reviewing service costs and maximising income opportunities:

- Gynaecology income: utilising locum consultant and increased nursing hours to maximise procedures through Gynaecology Assessment & Treatment Unit (GATU).
- Neonatal income: working with the Neonatal Network to maximise Tier 2 cots from Tier 3 units to deliver 85% occupancy across the network. This work is on-going and currently under review by specialised commissioning.
- Maternity income: This was a challenge due to the service fragility and decrease in births.

OUR AMBITIONS: BECOME MORE EFFICIENT

We have commissioned an external organisation, which will start with the Trust in April 2019, to support us to realise waste reduction opportunities identified in our theatres productivity, systems and processes. This will be through either additional activity or taking costs out through list consolidation and few additional sessions.

OUR AMBITIONS: BECOME MORE EFFICIENT

Our capital programme investments continued in 2018/19 to address high risk areas, which have been managed through our Capital Planning Group (CPG). Due to limited capital and increasing pressures, it has not been able to fund all requests. Finances have been allocated on a priority basis as agreed by the CPG with reference to Operational Risk Group priorities. The allocation of capital for 2018/19 is set out below:

Funded from Internally Generated Capital Funds:

- Continuation of Ophthalmology move into the Copthorne Building
- Replacement Linear Accelerator
- Refurbishment of RSH Midwife Led Unit
- Replacement Medical Equipment (including Theatre Camera Stacks)
- Investment in IT Infrastructure
- Investment in replacement of non-clinical equipment
- Continuation of fire safety project (including RSH Ward Block)

Funded from External Funds (PDC):

- NHS Wi-Fi
- Additional Bed Capacity - 30 Bedded Ward
- HSLI funding - Datawarehouse
- Digital Pathology Equipment - Cancer Transformation
- Pharmacy System Upgrade RxInfo - Cancer Transformation

OUR AMBITIONS: BECOME MORE EFFICIENT

We planned to carry forward a recurrent deficit of £21.6 million into the 2019/20 financial year however, will be taking forward a deficit of £29.0 million, a movement of £7.4 million.

The effect of workforce challenges and the impact of keeping ED at PRH open has led to increased spending in respect of agency staffing and an inability to secure the full level of cost improvement savings.

STRENGTHENING OUR BOARD

In November, we announced moves to strengthen our leadership. Two new directors will join the Board to address the challenges and opportunities we face.

A Director of Clinical Effectiveness and a Director of Strategy and Transformation will join the Board, which had already been strengthened this year with the addition of new Non-Executive Directors Tony Allen and Tony Bristlin and Associate Non-Executive Directors Amanda Edwards and Tony Carroll.

The Director of Clinical Effectiveness will be responsible for improvements in clinical practice, promoting innovation and supporting the transformation of clinical pathways. They will also be responsible for the Patient Advice and Liaison Service (PALS), complaints, research, quality and clinical audit.

The Director of Strategy and Transformation will focus on the reconfiguration of hospital services, business planning, strategy, estates and our Transforming Care work.

Dr Edwin Borman will move from his current role as Medical Director to become Director of Clinical Effectiveness. A new Medical Director, Dr Arne Rose, has been appointed.

CASE STUDY—PROCUREMENT

One of our teams was shortlisted for a national award after making financial savings of nearly £2 million.

The Procurement team, based at the Shrewsbury Business Park, made the final nine in the Health Service Journal's Financial or Procurement Initiative of the Year.

They were nominated for their 'Lean Methodology Journey' – which saw them making savings of £1.8million in the 2017/18 financial year. The overall winner will be announced in May.

The savings were achieved by using 'lean methodology' from the Trust's Transforming Care Production System – created as part of the partnership with the Virginia Mason Institute in Seattle, the USA's Hospital of the Decade.

The team introduced new and improved working methods, which helped them to remove unnecessary jobs and reduce the value of stock held in store rooms, all of which significantly cut down on wastage and transport costs.

The products that the Trust orders for its hospitals are also now in a catalogue meaning far fewer mistakes, and enabling clinicians to spend more time with patients instead of ordering stock for their wards and departments.

Paula Davies, Head of Procurement, said: "To be recognised in this way for the work we have done is absolutely fantastic.

"As a result of this improvement journey we have saved a significant amount of money which can be put into improving patient care instead.

"That was an incredible achievement in itself; but to be shortlisted for a national award is the icing on the cake."

Simon Wright, Chief Executive, said: "Paula and her team have made a considerable difference to our organisation and I am very proud of all their hard work.

"They have been able to use new, lean methods to completely transform the way their team operates – and as a result they have delivered huge savings, which will be of enormous benefit to our patients and staff. They thoroughly deserve this national recognition."

OUR PEOPLE

Creating a great place to work

OUR WORKFORCE

To help us deliver the safest and kindest care possible, we want a dedicated, engaged and motivated workforce.

Almost 80% of our staff are in direct clinical roles. Over the last 12 months, we have increased staffing levels by more than 160.

Recruiting and retaining high quality staff is a key priority. We employ nearly 6,100 substantive staff. When taking into account those employed on part-time contracts, the full time equivalent (FTE) workforce increased by 140 to 5,187. Our substantive workforce at 31 March 2019 included approximately:

- 581 FTE doctors and dentists (11%), an increase of 58 FTE (compared with 2018)
- 1,476 FTE nursing and midwifery staff (28%), an increase of 46 FTE
- 667 FTE scientific, technical and therapies staff (13%), an increase of 23 FTE
- 1,394 FTE other clinical staff (27%), an increase of 4 FTE;
- 1,069 FTE non-clinical staff (21%), an increase of 9 FTE.

In addition to this, the available workforce at year end included 1,211 staff on the Trust's internal bank, in addition to staff working within the Trust via external agencies.

During 2018/19, we recruited 71.45 FTE Staff Nurses, 65.07 FTE Health Care Assistants (HCAs) and 23.60 FTE Consultants (including those appointed on a locum basis).

OUR AMBITIONS: REDUCE RELIANCE ON TEMPORARY STAFF

During 2018/19 we reduced agency staff spending by £1.2 million. The number of Whole Time Equivalent agency staff used also fell.

We have worked hard on reducing the number of agencies included within our Preferred Supplier List, to improve continuity of care on those occasions when agency staff are needed.

Our own Bank staff have been offered the option to be paid weekly or monthly to suit their needs, and the number of shifts filled by Bank staff increased from an average of 489 per week in April/May 2018 to 642 in January 2019.

Focus groups have been held during 2018/19 with Bank work representatives to aid a better understand and improve their experience of work. One outcome of this is the development of a handbook which will be circulated to all Bank workers in the new financial year.

To meet medical workforce challenges, work continues on Consultant job plans to align resource with requirement. To date 98% of Consultant job plans have been added to job planning software and support to clinicians, clinical directors and operational teams will continue.


BENOY THOMAS
Health Care Assistant

OUR AMBITIONS: REDUCE RELIANCE ON TEMPORARY STAFF

Following the announcement of the allocation of £312 million to enable the Trust to develop both hospital sites into two state-of-the-art facilities there has been successful recruitment of additional medical consultants.

We now have seven consultants working across our two Emergency Departments (EDs), the most we have had for years.

During 2018/19 we also worked hard to secure additional substantive and locum middle-tier doctors. This allowed us to maintain a 24/7 service in both EDs.

Although improvements have been made in the ED consultant and middle-tier workforce numbers, ED Nursing numbers remain challenging. 2018/19 progress will continue to be built on during 2019-20 as part of our workforce plan. This plan describes increases in medical workforce to improve gaps in ITU, acute medicine and specialist medicine.

NURSING ASSOCIATES

We are one of the first trusts in the country to have new registered Nursing Associates.

We have been involved in a national project to develop the roles in partnership with the University of Wolverhampton and Staffordshire University.

The Nursing Associate is a new standalone generic nursing role in England which bridges the gap between healthcare support workers and registered nurses to deliver hands-on, person-centred care. They gain a Nursing Associate Foundation Degree awarded by the Nursing and Midwifery Council (NMC).

The role has been introduced to help build the capacity of the nursing workforce and the delivery of high-quality care, while supporting nurses and wider multidisciplinary teams to focus on more complex clinical duties.

During a two-year programme, SaTH's Nursing Associates gain experience in a number of different clinical areas and settings, both inside and external to the trust.

GOLDEN TICKET

In partnership with Staffordshire University, we have introduced "golden tickets" to student nurses to increase recruitment. Instead of a formal interview, student nurses are invited to attend Values-based conversations throughout their training, culminating with a final conversation at the start of their third year of study. Students who obtain the required qualifications and are also seen to reflect the Trust Values are offered a position at the Trust.

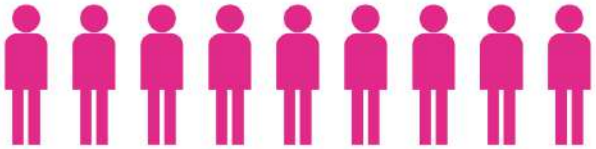
In the last 12 months, more than 100 golden tickets have been issued.

OUR AMBITIONS: REDUCE RELIANCE ON TEMPORARY STAFF

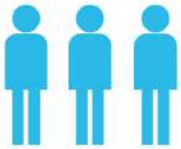
One of objectives for this year was to implement solutions such as e-rostering to ensure that our clinical support workforce was in place at times when they were most needed.

Work has been completed to add Pharmacy at PRH to e-rostering with RSH being worked on currently. Progress will continue in to 2019-20 with Pathology being added next before moving on to Therapies and Radiology.

OUR WORKFORCE IN 2018/19



4,866 females



1,226 males

948
volunteers

6,092
members
of staff

5,186.86
WTE of whom
79% are in
clinical roles

161 more staff
in post than
last year

306 work
experience
placements

119 New
apprenticeships

VALUES IN PRACTICE AWARDS

Every year we recognise the incredible efforts made by our staff day-in-day-out at our Annual Values In Practice (VIP) Awards.

This year's event was held at RAF Cosford and themed to tie in with the celebrations for the 70th anniversary of the NHS.

Awards were presented in nine categories, with a total of 37 finalists recognised on the night.

As well as our annual awards, we recognised staff contributions through our monthly awards, with winners being presented with their awards at our Trust Board meetings, which are held in public.

The winners of this year's annual awards were:

- Rising Star: Alex Griffiths-Brown.
- Team of the Year: The MRI Scanner Team.
- Volunteer of the Year: End of Life Care Volunteers.
- Improvement of the Year: The Gynae Ambulatory Care Team.
- Inspirational Leader of the Year: Corrin Dorsett.
- Learner of the Year: Urvasee Patel.
- Behind the Scenes Award: Vic Davies.
- VIP of the Year: The Procurement Team and A&E Teams at RSH and PRH.

OUR AMBITIONS: BECOME MORE EFFICIENT

During July 2018 our Fertility Centre successfully relocated to new state-of-the-art facilities in Severn Fields Health Village in Shrewsbury.

A communications campaign has been rolled out which is designed to aid market-driven growth within the service.

It is anticipated that this growth will be realised during 2019/20.

NHS STAFF SURVEY

The results of this year's Staff Survey show a picture that has given us some cause for concern about how it feels to work at SaTH.

We've started to have conversations with our teams about things that we could do to make it feel better. But we're not going to focus on something that we can do in three months – this is going to be a longer-term strategy.

It will take time, but our aim is that in the next 12 months there will be things happening within our organisation that start to give every single member of our team confidence that we are serious about making SaTH a great place to work, that we are ready to listen and to act; to support, value and help all of our people, no matter what role they do, to achieve their potential.

FREEDOM TO SPEAK UP

Freedom to Speak Up Guardians act in an independent capacity to support and help drive the Trust to make it a safer place for patients and staff and a more open place to work. They offer support and advice to those that want to raise concerns to ensure that any safety issue is addressed and feedback is given to the member of staff who raised it.

Freedom to Speak Up Guardians ensure that there are no repercussions for those that have raised the concern either immediately or in the long-term.

In August, we increased the hours for the Guardians from 10 hours-a-week to 15 hours.

In January, a recruitment process took place to replace one Guardian who moved into a new role as well as recruiting an additional member to strengthen the team. Expressions of interest have been sent out to all staff to create a network of Freedom to Speak Up Advocates, who will raise the profile of the service as well as promote a culture of speaking up to become 'business as usual'.

A communications plan has been devised to ensure all staff feel they can speak up without experiencing repercussions.

The Freedom to Speak Up Policy has been updated and communicated to all staff and is available on our website and intranet.

OUR AMBITIONS: REDUCE RELIANCE ON TEMPORARY STAFF

The provision of Gastroenterology on a single site was identified as a target area for 2018/19. Throughout the year, emergency inpatient services continued to be provided across both sites creating both quality and workforce challenges.

This programme of work will need to be further developed in 2019/20 due to limited progress in year. A proposed solution is to remove duplication and to create a single point of admission for emergency Gastroenterology inpatients within the RSH site.

OUR AMBITIONS: BECOME MORE EFFICIENT

The key focus for the Scheduled Care group for 2018/19 has been to selectively develop services where possible. This has been in conjunction with protecting and stabilising other key specialties which have been challenged in delivery.

A key achievement for 2018/19 has been the opening of the new Ophthalmology department at RSH.

PERFORMANCE ANALYSIS

STRATEGIC CONTEXT

During 2018/19 the NHS has continued to see increasing financial pressures whilst operating with a workforce that is either unavailable or overstretched. To address this, organisations have to optimise the best use of resources to service increases in both population and complexity of healthcare requirements.

NHS services in Shropshire, Telford & Wrekin and mid Wales have to adapt to deal with these same challenges; and for SaTH many of these have existed on a progressive negative trajectory for a number of years. The additional and long-term difficulties from duplication of many services means that care and treatment continues to be provided by a workforce that is working unsustainable rotas in environments that are equally challenged in terms of the facilities and space required to deliver modern healthcare.

Regardless of the challenges, the safe delivery of care for patients and their families is the single most important priority for us moving in to 2019/20; with the overall goal of providing the safest and kindest care in the NHS. In order for us to progress with achievable and sustainable change that delivers real improvements for patients and the public, the three key priorities for 2019/20 are:

- To move beyond Special Measures
- To achieve our agreed performance trajectories
- Be a sustainable organisation

Moving into next year, we have three co-ordinating mechanisms for addressing challenges in quality, workforce, performance and finance both within SaTH and across the whole health system. These are:

- Transforming Care Institute (TCI) – our partnership with the Virginia Mason Institute (VMI)
- Sustainability and Transformation Plan (STP) – the health systems overarching strategic plan
- Sustainable Services Programme (SSP) – SaTH's plan for the delivery of a single emergency site and a single planned care site

These three overarching programmes will drive and steer the changes required to deliver consistent high quality and appropriate care to our patients and their families. To be the safest and kindest is an ambition identified by our staff and patients alike and is an integral element in all aspects of our organisational strategic direction.

For 2019/20, we will strive to achieve realistic trajectories that have been signed up to by our Operational Teams. We are determined to move beyond special measures, and as such recognise that we need to re-establish our reputation for delivering what we say we will. This year's plan, and its delivery, is therefore critical in restoring trust and confidence from our patients, staff and regulators. The plan has also been built on successes realised within parts 2 & 3 of the 2018/19 Operational Plan.

The 2019/20 Operational Plan fits within the strategic direction of the Sustainable Services Programme. It is designed to shift the organisation positively along the deliverable timeline in a progressive manner. This will allow us to realise the benefits identified within the programme.

Following the Treasury's commitment to support a £312million investment in our hospitals, and the completion of the NHS Future Fit public consultation in the summer of 2018, on 29 January the decision was made by the joint committee of our commissioners that the Royal Shrewsbury Hospital would become a dedicated emergency centre and the Princess Royal Hospital would become a planned care site. During 2019/20 a programme of internal engagement with all staff groups will build on previous successes to further develop the business case and help shape the future provision of acute services within Shropshire and Telford & Wrekin.

Whilst the STP and its component parts, including our own Sustainable Services Programme, move steadily forward, frontline staff will continue work on understanding their service issues with the support and expertise of the Transforming Care Institute. Now in its fourth year, we continue to methodically apply the VMI tools of removing waste and non-value added activities and by standardising processes and systems in departments and in the design of new clinical services and facilities as part of SSP.

2019/20 will therefore see the further progression of major, long-term change proposals with improvements and developments that make an immediate difference for our population today. For us to be the safest and kindest care providers within the NHS, it is essential that integrated progress continues to be realised.

Simon Wright,
Chief Executive

KEY PERFORMANCE INDICATORS

Domain	Indicator	Description	Data Source	Thresholds	Performance in Year Ended 31 March 2019
Access (including A&E and 18 weeks Referral to Treatment [RTT])	Four-hour maximum wait in A&E from arrival to admission, transfer or discharge	The number of patients spending four hours or less in all types of A&E department / The total number of patients attending all types of A&E department	Weekly SitReps	Performing: 95% Underperforming: 94%	**75.9%**
	12 hour trolley waits	The number of patients waiting in A&E departments for longer than 12 hours after a decision to admit	Weekly SitReps	Performing: 0 Underperforming: >0	**62**
	1 hour ambulance handovers	Ambulance handovers not completed within 60 minutes	Weekly SitReps	Performing: 0 Underperforming: >0	**2602**
	30 minute ambulance handovers	Ambulance handovers not completed within 30 minutes	Weekly SitReps	Performing: 0 Underperforming: >0	**9128**
	RTT – admitted -90% in 18 weeks	Total number of completed admitted pathways where the patient waited 18 weeks or less vs. Total number of completed admitted pathways in quarter	Monthly RTT returns via UNIFY	Performing: 90% Underperforming: 85%	**50.27%**
	RTT – non-admitted – 95% in 18 weeks	Total number of completed non-admitted pathways where the patient waited 18 weeks or less vs. Total number of completed admitted pathways in quarter		Performing: 95% Underperforming: 90%	**94.85%**
	RTT - incomplete pathways	Total number of patients on incomplete pathways less than 18 weeks vs. total number on incomplete pathways		Performing: 92%	**89.25%**
	RTT – greater than 52 weeks	Total number of patients waiting longer than 52 weeks from referral to treatment		Performing: 0	**1**
	% of patients waiting over 6 weeks for a diagnostic test	To measure waits and monitor activity for 15 key diagnostic tests		Performing: <=1%	**0.3%**
	The number of last minute cancelled elective operations in the quarter for non-clinical reasons, NHS provider organisations in England:	Number of patients not treated within 28 days of last minute elective cancellation	Quarterly return via QMCO RTN UNIFY	Performing: 0	**5**
	Multiple cancellations of urgent operations	Number of last minute elective operations cancelled for non-clinical reasons	Monthly return via QMCO RTN UNIFY NHSE	Performing: 0	**0**
Cancer Waiting Times	2 week GP referral to 1st Outpatient	Please see cancer waiting times guidance for definition of these performance standards	QLIK Cancer Waiting Times Database	Performing: 93% Underperforming: 88%	**88.15%**
	2 week GP referral to 1st outpatient – breast symptoms			Performing: 93% Underperforming: 88%	**80.99%**
	31 day diagnosis to treatment for all cancers			Performing: 96% Underperforming: 91%	**99.1%**
	31 day second or subsequent treatment – drug			Performing: 98% Underperforming: 93%	**100%**
	31 day second or subsequent treatment – surgery			Performing: 94% Underperforming: 89%	**76.47%**
	31 day second or subsequent treatment – radiotherapy			Performing: 94% Underperforming: 89%	**100%**
	62 days urgent GP referral to treatment of all cancers			Performing: 85% Underperforming: 80%	**70.85%**
	62 day referral to treatment from screening			Performing: 90% Underperforming: 85%	**70.0%**
	62 day referral to treatment from hospital specialist			Performing: 85% Underperforming: 80%	**87.93%**
Infection Prevention and Control	MRSA	Actual number of MRSA vs. planned trajectory for MRSA	Infection Control HPA Returns	Performing: No MRSA bacteraemias	**5**
	C.Diff	Actual number of C.Diff vs. planned trajectory for C.Diff		No more than 25 C.diff	**18**
Quality of Care	VTE Risk Assessment	Number of adult inpatient admissions reported as having a VTE risk assessment on admission	UNIFY NHSE Mandatory returns	Performing: 95% Underperforming: 90%	**95.65%**
	Duty of Candour	Number of breaches of duty of candour	Datix	Performing: 0	**0**
	Breaches of same sex accommodation	The number of breaches	Via UNIFY NHSE MSA RTN	Performing: 0	**138**
Workforce	Sickness absence	Number of days sickness absence vs. available workforce	SaTH Returns	Performing: 3.99%	**4.47%**
	Appraisal	Number of eligible staff receiving appraisal in current performing vs. total eligible staff		Performing: 80% (Stretch target 100%)	**87.42%**
	Statutory and Mandatory Training	Number of spells or attendance with valid number/Total number		Performing 80%	**82.06%**

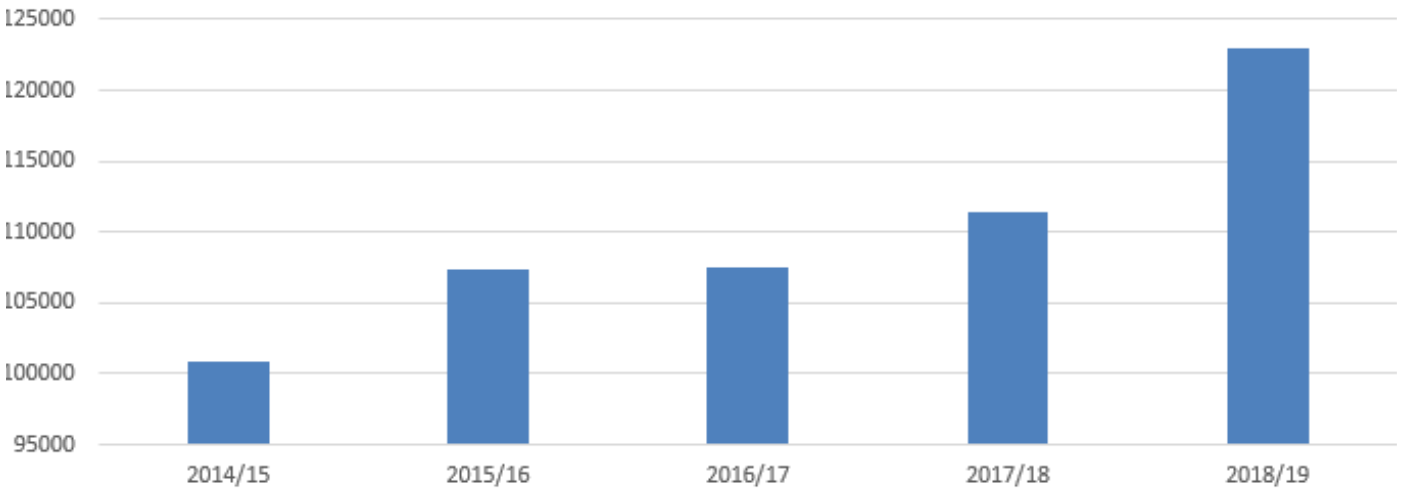
PERFORMANCE TRENDS

Summary of Service Activity by specialty

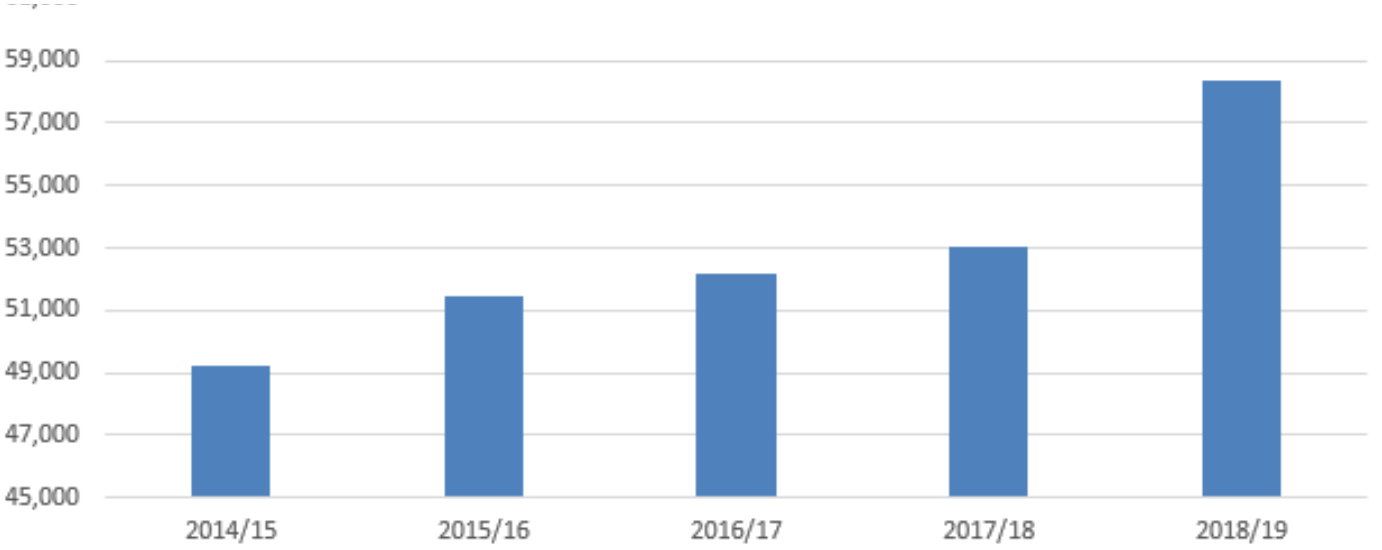
	Inpatients			Outpatients		
Specialty	**2016/17**	**2017/18**	**2018/19**	**2016/17**	**2017/18**	**2018/19**
A&E Outpatient & Spells	948	888	2,863	3,627	3,397	
Anaesthetics				557	533	631
Audiological medicine	1	1	1	666	1,012	1,153
Breast Surgery	698	731	655	15,865	15,382	15,107
Cardiology	2,919	3,075	3,103	21,354	21,761	21,184
Cardiothoracic Surgery				1,236	1,215	1,085
Chemical pathology				640	586	536
Clinical Haematology	5,384	5,681	6,085	14,012	15,071	16,238
Clinical Neuro-Physiology				570	451	217
Clinical Oncology	3,422	3,546	4,373	20,705	20,330	23,888
Clinical Physiology				16,041	16,499	15,723
Colorectal Surgery	926	996	1,032	12,539	12,764	13,382
Dermatology	18	5		16,741	16,909	18,269
Diabetic Medicine	6	3	5	6,807	6,104	6,455
Diagnostic Imaging						4,528
Ear nose & throat	2,385	2,269	2,217	24,924	23,259	23,359
Endocrinology	119	106	123	2,881	3,136	3,852
Gastroenterology	17,990	17,655	18,507	10,341	9,945	10,282
General Medicine	22,688	23,708	25,984	2,440	1,947	1,870
General Surgery	7,983	7,099	7,739	924	641	1,016
Geriatric Medicine	152	254	299	5,071	4,922	5,311
Gynaecological Oncology	7	5	11	6,498	6,365	7,020
Gynaecology	4,138	4,037	4,088	25,349	23,658	22,163
Hepatology	7	5	8	2,312	2,482	2,502
Maxillo-Facial Surgery	613	726	669	184	157	698
Medical Oncology	368	485	488	723	1,781	1,085
Neonatology	2,184	1,809	1,603	934	1,076	893
Nephrology	290	355	214	6,915	6,118	6,697
Neurology	332	324	404	8,382	6,569	5,348
Obstetrics/Maternity	5,543	5,056	4,822	1,748	1,334	1,143
Ophthalmology	2,974	3,795	3,872	48,407	45,689	46,097
Oral Surgery	685	703	668	10,529	10,354	9,426
Orthodontics				7,447	8,010	7,476
Paediatrics	8,738	8,537	9,065	24,452	24,060	23,750
Pain Management	621	538	448	1,024	758	838
Plastic surgery				1,035	532	461
Rehabilitation	70	60	27			
Respiratory Medicine	2,933	3,044	2,991	14,369	14,087	14,994
Respiratory Physiology				3,765	3,569	3,529
Restorative Dentistry				583	565	718
Stroke Medicine	234	175	244	2,015	1,657	2,148
Therapies				9,726	9,613	9,556
Trauma & Orthopaedics	6,055	5,781	5,169	38,636	36,503	37,193
Upper GI Surgery	1,169	1,044	1,083	6,661	6,525	7,133
Urology	6,024	6,115	6,430	19,330	19,049	20,010
Vascular Surgery	925	1,720	2,013	6,290	6,789	7,472
Grand Total	**109,549**	**110,331**	**117,303**	**425,255**	**413,164**	**422,436**

*2018/19 saw the introduction of a CDU pathway change, resulting in an increase of non-elective activity

A&E attendance (Type 1 only)

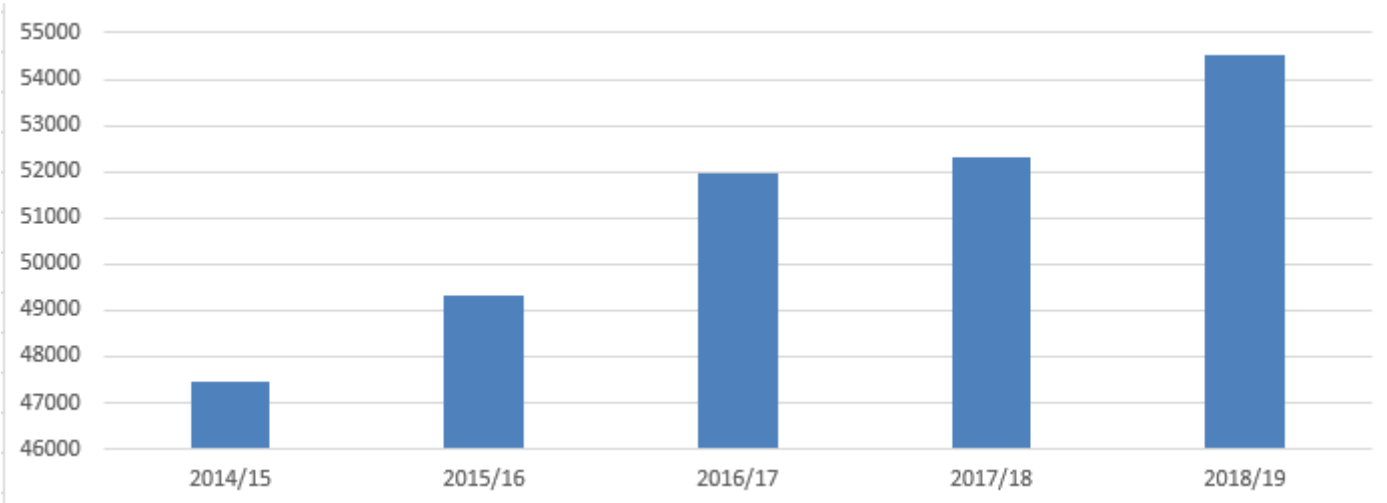


Emergency admissions (including CDU)

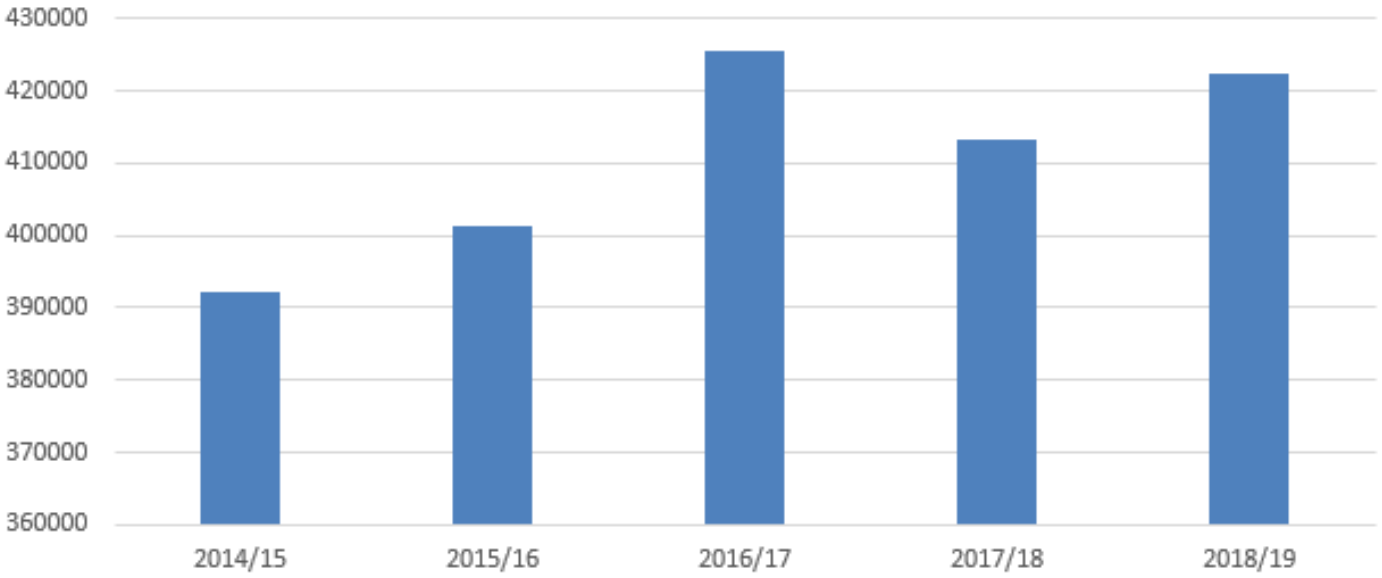


***Chargeable activity only**

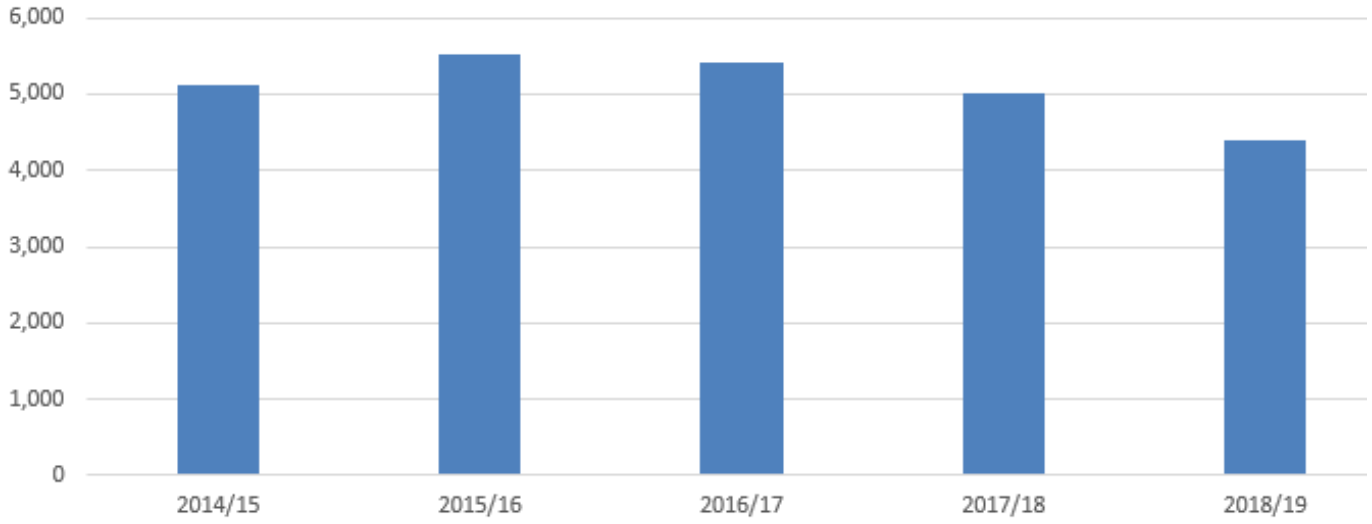
Elective Inpatient and Day Case admissions



Outpatient activity



Maternity admissions



SUSTAINABILITY

We are committed to leadership in sustainability – this is one of our corporate objectives. As sustainability leaders, we aim to pioneer new solutions while developing our services responsibly.

In 2018 we won an International Green Apple Environmental Award for Environmental Best Practice for our work using Warp-it, a national online re-distribution network which aims to reduce waste. Instead of going to landfill or spending unnecessarily on new items, hospital staff have been using Warp-it to seek and provide a new home for surplus items - from paper clips and filing trays to cabinets, desks and chairs, saving the Trust £80,000.

KEY ACHIEVEMENTS

Energy

- 5.3% reduction in emissions since 2008 (despite increased footprint)
- 7% reduction in energy—reducing CO2 emissions by 1,112 tonnes
- Produce low-carbon electric at our sites using Combined Heat and Power plant
- LED replacement scheme 75% complete

Travel and transport

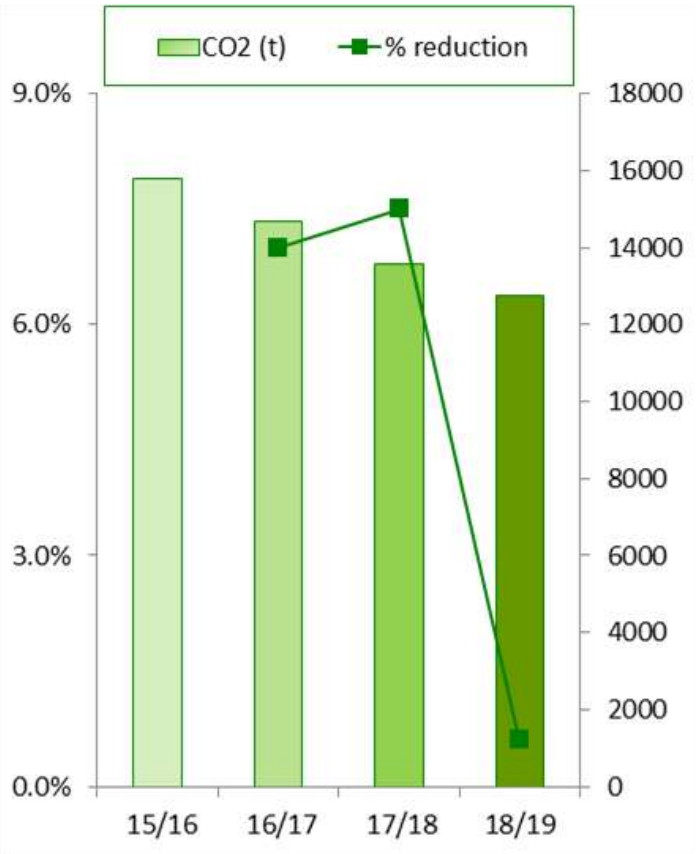
- 1.5% reduction in demand for staff parking, reducing CO2 emissions by around 300 tonnes per annum
- Liftshare – 300+ members
- Online parking permit system launched together with 1- mile exclusion zone for parking permits unless exemptions apply
- Active travel - cycle salary sacrifice scheme runs year round. Bespoke travel planning service for staff
- Working with local authorities to improve access and transport infrastructure
- Staff discounts for public transport, better access
- Development of video conferencing infrastructure

Reuse

- Warp-it (re-using unwanted equipment) system now has over 600 SaTH users
- Reducing CO2 emissions at rate of 1 tonne per month
- Total savings of £80,000
- Successful partnerships established with public sector partners such as Ministry of Justice

Carbon reduction

We participate in the national CRC Energy Efficiency Scheme (formerly known as the "Carbon Reduction Commitment") - a levy for each tonne of CO2 emitted by the organisation.



SECTION TWO

ACCOUNTABILITY REPORT

This section of the Annual Report focuses on our governance, providing information about the legal status of our Trust, the processes and structures by which we maintain our commitment to good governance.

DIRECTORS' REPORT

OUR TRUST

The Shrewsbury and Telford Hospital NHS Trust is an NHS Trust established in accordance with the National Health Service Act 2006 and related legislation. It is led by a Board of Directors responsible for all aspects of the Trust's performance including high standards of clinical and corporate governance. This section of the Annual Report provides information about the members of the Board and how the Trust is governed.

The members of the Trust Board at year end are outlined in the following pages, including a summary of their experience.

THE TRUST BOARD

NHS Trust Boards play a key role in shaping the strategy, vision and purpose of an organisation. They are responsible for holding the organisation to account for the delivery of the strategy and to ensure value for money.

They are also responsible for assuring that risks to the organisation and the public are managed and mitigated effectively. Led by an independent chair and composed of a mixture of both executive and independent non-executive members, the Trust Board has a collective responsibility for the performance of the organisation.

The main focus of the Trust Board is providing high standards of health care.

The framework by which we use to meet and monitor these high standards is known as clinical governance. The highest priority of the Trust Board is to ensure that effective governance arrangements are in place. All NHS providers are required to register with the Care Quality Commission, the independent regulator of health and social care in England. The Care Quality Commission's inspection regime provides further assurance around the quality of our services to the communities we serve.

FINANCIAL MONITORING AND CONTROL

NHS services are paid for with public funds and NHS Trusts must ensure that services are good value for money.

The Trust Board is responsible for financial management and to ensure that effective financial control systems are in place. For further assurance and transparency, the Trust's financial affairs are scrutinised by:

- the Trust's independent internal auditors; as part of their local audit programme
- the Trust's independent external auditors; as part of the statutory review of our annual accounts
- NHS Improvement, the national regulator

which is responsible for supporting and developing NHS Trusts in England

- National and parliamentary scrutiny bodies, such as the Health Select Committee

The Trust's accounts are published annually and can be seen within our Annual Reports.

ACCOUNTABILITY

NHS Trusts are accountable to the Department of Health via NHS Improvement, the financial regulator of NHS Trusts in England. NHS Improvement supports NHS Trusts to ensure patients receive consistently safe, high quality, compassionate care within local health systems that are financially sustainable.

PROBITY

All Board members must be open about their own business interests which may impact on the decisions of the Trust. All such interests must be made public and are recorded in a public register. This is published in our Trust Board Papers after each Board meeting.

CODE OF OPENNESS/FREEDOM OF INFORMATION

Our Code of Openness ensures sufficient transparency about theactivities we undertake. It is intended to promote confidence with our staff, patients and the public. An example of our commitment to being open and transparent is by holding meetings of the Trust Board in public and publishing the minutes and papers of the Trust Board meetings. The Trust is also obliged to comply with the Freedom of Information Act 2000; please visit the Freedom of Information pages on our website for further information.

BRITAIN'S EXIT FROM THE EUROPEAN UNION

We have been working to ensure that, in the event of a no-deal "Brexit", there should be sufficient supplies of clinical and non-clinical goods and consumables available to continue to treat patients, and processes to ensure sufficient staff resource. Key areas have been prioritised following national guidance. These include:

Pharmacy

The NHS has been working with suppliers to ensure there will be sufficient medicines available to continue to treat patients. This may require some medicines to be substituted and mechanisms are in place for this. The research team will continue to offer the same opportunities for patients to take part in clinical trials and is working with pharmacy and trial sponsors to ensure continued access to study medications.

Procurement

The Procurement Department has undertaken a self-assessment for all medical devices and clinical consumables to identify risk of non-supply/availability and is working with suppliers to establish continued supply following national guidance. Local procurement leads have worked with all care groups to review supply issues and review business continuity plans.

Workforce

The Workforce Team has been advising on the EU Settlement Scheme and Professional Regulation.

Business Continuity

All services and departments have been reviewing standard operating procedures and business continuity plans to include any disruption in supply of goods or workforce.

MEMBERS OF THE BOARD

Ben Reid, OBE, FCCA
Chair
Member: Sustainability Committee; Maternity Taskforce Oversight Committee

Ben, a qualified accountant is the former Group Chief Executive of the Mid-Counties Co-operative, a position he has held for 30 years. He has held Non-Executive appointments including Chair of Walsall Healthcare NHS Trust (2004-2016) and most recently, Chair of Dudley and Walsall Mental Health NHS Trust. He has also held senior level positions with Lincolnshire Area Health Authority.

Ben's previous Board roles include West Midlands Chair of the Learning and Skills Council, Chair of West Midlands Regional Assembly and Chair of various regeneration bodies.

Tony Allen, FCMA
Non-Executive Director
Member: Audit Committee; Performance Committee; Charitable Fund Committee

Tony has previously served as a Non-Executive Director with Liverpool Community NHS Trust, where he Chaired the trust's Audit Committee. He has also served as Independent Advisor to the Audit Committee of the British Dental association.

Tony has 10 years' experience as head of finance in the private sector with organisations including National Museums Liverpool and the Institute of Occupational Safety and Health. He is a Fellow of the Chartered Institute of Management Accountants.

Tony Bristlin, FCMA, FCA
Non-Executive Director
Member: Audit Committee; Sustainability Committee; Charitable Fund Committee

Tony is a senior finance leader with a record of success in global shared services, finance transformation and internal audit in a FTSE 250 PLC.

He has more than 20 years' experience in the aviation industry, working in audit and finance.

He is a Fellow of the Chartered Institute of Management Accountants and a Fellow of the Institute of Chartered Accountants England and Wales, having graduated with an MBA (with Distinction) from Manchester Business School.

Clive Deadman
Non-Executive Director
Member: Performance Committee; Sustainability Committee

Clive brings 30 years' experience from senior commercial, finance and business development roles. He studied Chemistry at Cambridge University and worked in Africa before spending eight years in the Venture Capital industry. Since joining the utility sector in 1992, Clive has held a range of executive director roles in electricity distribution, water and wastewater utilities.

Clive holds a number of directorships in the housing and utilities sector. He is currently a Non-Executive Director for Metropolitan Housing Trust, one of the largest owners and operators of social housing in the UK, a position he has held since 2013.

Mandy Edwards
Non-Executive Director
Member: Quality Committee; Workforce Committee; Maternity Taskforce Oversight Committee

Mandy has over 30 years' experience in the NHS, having qualified as a Radiographer in 1985. She has worked at hospitals in Leeds, the Wirral, Birmingham, and Oswestry.

She is now co-director of Edwards Healthcare Consultancy, which has worked with NHS organisations in Shropshire and across the country, as well as with monitoring bodies.

In her spare time, Mandy enjoys competitive dinghy racing, and many other outdoor pursuits.

Dr David Lee
Non-Executive Director
Member: Performance Committee; Quality Committee

David has been a GP for 30 years and has worked in medical leadership roles within both the NHS and the independent sector. He is Medical Director of DXC, a multi-national corporation providing information technology services and professional services. He combines this with work as a GP in Shropshire.

David is a committed proponent of clinical leadership and the benefit of effective clinical leadership for patients using health services and for the organisations which provide or commission them. In addition to his medical qualifications, David has an MBA from Leeds University and is a qualified executive coach. David and his family moved to Shropshire 13 years ago.

Brian Newman
Non-Executive Director
Member: Quality Committee

Brian has over 30 years' experience at managing director level in a variety of international businesses, including, for eight years, as MD of GKN plc's global Wheels Division, which has headquarters in Telford. He also has considerable Trade Association board experience including as chairman of the board of the British Fluid Power Association.

Brian, who is a Freeman of the Shrewsbury Drapers Company, is married with three adult sons.

Tony Carroll
Associate Non-Executive Director
Member: Quality Committee; Workforce Committee

Tony recently retired as a senior executive in one of the largest regional Co-operative Society in the UK, having worked there for 30 years, latterly as Deputy Chief Executive and Trading Executive.

Tony has a wealth of experience in business operations, including risk and budgeting, championing change management and team/colleague development.

He was educated at Stockport Grammar School and his interests include golf, travel, motor sports and reading.

Harmesh Darbhanga
Associate Non-Executive Director

Harmesh graduated with honours in Economics at the University of Wolverhampton. He has worked in a variety of senior roles in local government with over 27 years' experience in accountancy and audit, working both in the public and private sector. He is a local government Finance Manager for Projects with main responsibilities are for the Medium-Term Financial Strategy, Financial Appraisals and providing analytical and accounting support on key projects. Harmesh has extensive board-level experience, previously serving as Independent Board Member of Severnside Housing and more recently as Non-Executive Director/Locality Support Member at Shropshire County Primary Care Trust.

Dr Chris Weiner
Associate Non-Executive Director
Member: Audit Committee; Workforce Committee; Sustainability Committee

Chris is a Public Health specialist with extensive experience in the NHS and also local government. Over the years, he has worked in NHS organisations to improve health and well-being in both Telford and Shrewsbury.

He moved to Shropshire more than 20 years ago and considers this to be very much home for himself and his family.

MEMBERS OF THE BOARD

Simon Wright
Chief Executive

Simon, a former director at Warrington and Halton Hospitals NHS Foundation Trust, started his management career with nine years in the independent health sector before joining The Walton Centre for Neurology and Neurosurgery NHS Trust in 1997. He joined Salford Royal Hospitals Trust in 2001 as general manager, later becoming associate director. He helped lead Warrington and Halton Hospitals from turnaround to strong performing NHS Foundation Trust with a track record of operational delivery during his time there.

He took on the role of deputy chief executive in July 2013 alongside his chief operating officer role. Simon has a MSc from Lancaster University. He is married with one son and enjoys music, sport and reading.

Dr Edwin Borman
Medical Director

Edwin joined the Trust as Medical Director in April 2013. Prior to this, he was Clinical Director for Anaesthetic, Critical Care and Pain Services at University Hospitals of Coventry and Warwickshire NHS Trust.

Throughout his career Edwin has taken a keen interest in the standards of medical practice, education, ethics, equality and diversity, representation and leadership. This has included chairing the British Medical Association's (BMA) Junior Doctors Committee and its International Committee, serving for over 20 years as a BMA Council member and for 14 years as a GMC Council member.

Deirdre Fowler
Director of Nursing, Midwifery and Quality

Deirdre completed her nurse training in Dublin and midwifery training at Croydon and Carshalton Faculty of Midwifery. Throughout her career, she has predominantly worked in women's healthcare in a variety of roles, including in community and acute services. In 2002 she joined the faculty of midwifery at the University of Nottingham as a lecturer, returning to the NHS as a matron in Lincolnshire in 2010.

She became Head of Midwifery/General Manager for Women's Services at Doncaster and Bassetlaw NHS Foundation Trust in 2011, then acting Director of Nursing. She was appointed Director of Nursing, Midwifery and Quality at Hinchingbrooke Health Care NHS Trust in May 2014.

Nigel Lee
Chief Operating Officer

Nigel began his career as a helicopter pilot in the RAF, in both Search & Rescue and Special Forces roles. He served in Northern Ireland, the Falkland Islands and Iraq. His experience in healthcare began as hospital director for the BUPA hospital on the Wirral, before Divisional Director roles at Alder Hey Children's Hospital and Aintree University Hospital.

He has had senior operational roles with the Cheshire and Merseyside Major Trauma Network, as well as with a range of service configuration developments in the Merseyside area. Nigel joined SaTH from his role as Director of Secondary Care for the North Wales Health Board, where he was responsible for three hospital sites, Women's Services and the Specialist Cancer Centre.

Neil Nisbet
Finance Director

Neil joined the Trust in April 2011, having previously been a Finance Director for 12 years and most recently Director of Organisational Resources and Director of Finance at Wolverhampton City PCT.

Victoria Rankin
Workforce Director (non-voting member)

Victoria joined the Trust in 2011, having previously fulfilled roles at Stoke-on-Trent Primary Care Trust and Community Services and Dudley Group of Hospitals. Victoria has led key workforce change and development programmes and has experience across a diverse range of workforce agendas.

Victoria holds responsibility for Human Resources, Workforce Planning, Organisational Development, Education, Workforce Assurance & Resourcing, and Workforce Transformation.

Julia Clarke
Director of Corporate Governance (non-voting member)

Julia was born, and has lived, in Shropshire all her life as do her two sons and three grandchildren.

She has worked at SaTH for over 33 years, initially working part-time in the patient administration team. She became lead for clinical audit, complaints, legal services and risk management. She was the lead Director for the delivery of the Lingen Davies Centre, which was funded entirely by charitable donations.

Julia currently leads the Trust's Communications and Community Engagement agenda, it's environmental sustainability work and the facilities services.

Declaration of interests

Our Standing Orders require all Board members to declare any outside interests which are relevant and material to their position.

A register of all such declarations is maintained and updated on an on-going basis and confirmed at the end of each financial year by the Trust Secretary.

Interests of Board members are published with the Trust Board papers, which can be found at **www.sath.nhs.uk/about-us/trust-information**

DECLARATION FROM DIRECTORS

Each Director confirms that as far as he/she is aware there is no information which would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and has taken "all the steps that he or she ought to have taken" to make himself/herself aware of any such information and to establish that the auditors are aware of it.

Board Meetings

The Trust Board met nine times during the year. Meetings of the Trust Board are held in public. Board papers are published on the Trust website. Information about attendance at Trust Board meetings is included in the Annual Governance Statement at Appendix 3.

The Board received reports from the seven committees chaired by the Non -Executive Directors: Audit Committee, Performance Committee , Quality & Safety Committee, Workforce Committee, Sustainability Committee, Maternity Taskforce Oversight Committee and the Charitable Fund Committee.

In addition the Trust Board received reports from the Senior Leadership Team (chaired by the Chief Executive). These reports ensure that the Trust Board can reach informed and considered decisions and ensure the Trust meets its objectives.

Audit Committee

The Audit Committee's chief function is to advise the Board on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes and securing economy, efficiency and effectiveness (value for money). The audit committee met regularly throughout the year. Chaired by Non-Executive Director Tony Bristlin, the committee comprises three Non-Executive Directors (including the committee chair). The other committee members during the year were Dr Chris Weiner and Tony Allen. Other Non-Executive Directors are welcome to attend. Committee meetings are attended regularly by the internal and external auditors, Finance Director, Director of Corporate Governance and Head of Assurance. Other Executive Directors attend by invitation. The committee met on six occasions during the year. This included one special meeting to review the annual accounts

Disclosure of Personal Data Related Incidents

The Trust takes its responsibilities for protecting patient information seriously, and we expect high standards of information governance from our staff.

There were six significant incidents relating to person identifiable information which were formally reported by the Trust in 2018/19.

Annual Governance Statement

The Trust has produced a full Governance Statement which details the governance framework of the Trust, including the governance responsibilities of committees, how the Trust identifies and assesses risk, the principal risks to achieving the organisational objectives, and serious incidents occurring in the last year.

The statement details how the organisation ensures the effectiveness of its systems of internal control and any issues that have occurred during the year.

This statement can be found in full in Appendix 3: Financial Statement / Annual Accounts.

Equality and Diversity

The Trust aims to provide high quality services to our community and to enable staff to fulfil their potential free from disadvantage and discrimination. To this end we have adopted the NHS Equality Delivery System (EDS2) and the NHS Workforce Race Equality Scheme (WRES), the NHS Workforce Disability Equality Scheme (WDES) and the Gender Pay Gap Regulations. We publish our results and objectives on our Trust website. We continually review our processes and activities and involve a range of stakeholders in our decision-making as well as continuing to work according to our Trust Values in all that we do.

Statement of the Chief Executive's Responsibility as Accountable Officer

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

These include ensuring that:

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

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

Simon Wright, Chief Executive
Date: 24 May 2019

Statement of Directors' responsibilities in respect of the accounts

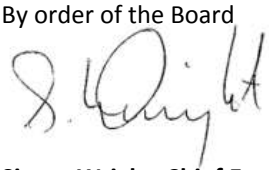
The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure, other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

- Apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- Make judgements and estimates which are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- Assess the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- Use 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

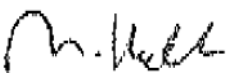
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They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

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

By order of the Board



Simon Wright, Chief Executive
Date: 24 May 2019



Martin Hall, on behalf of the Finance Director
Date: 24 May 2019

REMUNERATION AND STAFF REPORT

Remuneration for directors is set by our Remuneration Committee. Director salaries are reviewed at appointment then, annually, a benchmarking exercise is undertaken to ensure remuneration remains appropriate. Remuneration figures represent actual remuneration rather than full-year effect.

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

The banded remuneration of the highest paid director in The Shrewsbury and Telford Hospital NHS Trust in the financial year 2018/19 was in the salary banding of £175,000 to £180,000 (2017-18, £170,000 to £175,000). This was 6.7 times (2017-18, 6.89 times) the median remuneration of the workforce, which was £26,564 (2017-18, £25,049).

In 2018/19, 21 (2017-18, 23) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £179,000 to £248,000 (2017-18, £172,000 to £306,000).

Total remuneration includes salary, non-consolidated performance-related pay (not applicable to any member of staff in 2018/19 or 2017-18), benefits in kind as well but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

REMUNERATION REPORT

The table below shows the salary entitlements of senior managers (members of the Trust Board). This information has been audited.

	2018-19						2017-18					
Name and Title	Salary (bands of £5,000) £000	Expense payments (taxable) total to nearest £100 £	Performance pay and bonuses (bands of £5,000) £000	Long term performance pay and bonuses (bands of £5,000) £000	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000	Salary (bands of £5,000) £000	Expense payments (taxable) total to nearest £100 £	Performance pay and bonuses (bands of £5,000) £000	Long term performance pay and bonuses (bands of £5,000) £000	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000
Ben Reid Chairman	30-35	-	-	-	-	30-35	5-10	-	-	-	-	5-10
Simon Wright Chief Executive	160-165	-	-	-	40-42.5	200-205	155-160	-	-	-	160-162.5	320-325
Voting Directors												
Nigel Lee Chief Operating Officer	125-130	-	-	-	247.5-250	375-380	10-15	-	-	-	Not available	10-15
Dr Edwin Borman Medical Director	175-180	-	-	-	47.5-50	225-230	170-175	-	-	-	32.5-35	200-205
Deirdre Fowler Director of Nursing and Quality	120-125	-	-	-	25-27.5	145-150	105-110	-	-	-	202.5-205	310-315
Neil Nisbet Finance Director	140-145	5,600	-	-	0-2.5	140-145	135-140	3,800	-	-	18.5-20	160-165
Non-Executive Directors												
Tony Allen Non Executive Director (from 03/09/2018)	0-5	-	-	-	-	0-5	-	-	-	-	-	-
Anthony Bristlin Non Executive Director (from 03/09/2018)	0-5	-	-	-	-	0-5	-	-	-	-	-	-
Anthony Carroll Associate Non Executive Director (from 03/09/2018)	0-5	-	-	-	-	0-5	-	-	-	-	-	-
Harmesh Darbhanga Associate Non Executive Director	5-10	-	-	-	-	5-10	5-10	-	-	-	-	5-10
Clive Deadman Non Executive Director	5-10	-	-	-	-	5-10	5-10	-	-	-	-	5-10
Amanda Edwards Non Executive Director (from 03/09/2018)	0-5	-	-	-	-	0-5	-	-	-	-	-	-
Dr David Lee Non Executive Director	5-10	-	-	-	-	5-10	5-10	-	-	-	-	5-10
Teresa Mingay Designate Non Executive Director (left 30/04/2018)	0-5	-	-	-	-	0-5	5-10	-	-	-	-	5-10
Brian Newman Non Executive Director	5-10	-	-	-	-	5-10	5-10	-	-	-	-	5-10
Dr Christopher Weiner Associate Non Executive Director	5-10	-	-	-	-	5-10	5-10	-	-	-	-	5-10
Band of Highest Paid Director's Remuneration (FYE)	175-180						170-175					
Median Total Remuneration	26,684						25,048					
Ratio	6.70						6.89					

The table below shows the pension entitlements of senior managers (members of the Trust Board). This information has been audited.

Name & Title	Real increase in pension at pension age (bands of £2.500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31 March 2019 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2019 (bands of £5.000) £000	Cash Equivalent Transfer Value at 1 April 2018 £000	Real increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2019 £000	Employer's contribution to stakeholder pension £000
Simon Wright Chief Executive	2.5-5	0-2.5	45-50	100-105	735	107	888	
Dr Edwin Borman Medical Director	2.5-5	7.5-10	80-85	240-245	1,615	207	1,897	
Neil Nisbet Finance Director	0-2.5	2.5-5	55-60	165-170	1,112	116	1,282	
Deirdre Fowler Director of Nursing and Quality	0-2.5	5-7.5	35-40	110-115	646	100	783	
Nigel Lee Chief Operating Officer*	12.5-15	0	20-25	0	86	181	280	

The Chief Operating Officer was new in post in 2017/18 and the 2018/19 figure reflects the full year benefit, which was not the case in 2017/18.

STAFF REPORT

We employ almost 6,100 staff and hundreds of staff and students from other organisations also work in our hospitals.

This report provides details about the make-up of our workforce, which at the end of 2018/19 increased by 161 to 6,092. When taking into account those employed on part-time contracts, the full-time equivalent (FTE) number increased by 140 to 5,187. Expenditure on staff accounts for approximately 66% of overall Trust expenditure, down 1% on the previous year. A more detailed breakdown of staff numbers can be found in the table below. The number of staff reported in Section One of the Annual Report is in absolute terms. The table below refers to staff groups by Full Time Equivalent (FTE).

Staff Group	FTE	%
Doctors and dentists	581.26	11.2%
Nursing and midwifery staff	1475.63	28.4%
Scientific, technical & therapies staff	666.55	12.9%
Other clinical staff	1394.19	26.9%
Non-clinical staff	1069.23	20.6%
Total	**5186.86**	

Senior Managers are those employed at Bands 8a—9. In 2018/19 the number of Senior Managers at the Trust was:

Senior Managers by AfC Band	Headcount	%
Band 8a	1	2.86%
Band 8b	7	20.00%
Band 8c	16	45.71%
Band 8d	9	25.71%
Band 9	1	2.86%
Personal Salary	1	2.86%
Total	**35**	

The table below gives the gender breakdown of the Trust in 2018/19.

Gender Breakdown	Male	Female
Board Level Directors	4	3
Non Executive Directors/Chair	9	1
Senior Managers	9	26
All other employees	1204	4836
Total	1226	4866

The table below gives information on staff sickness

Sickness Absence Information	
Sickness absence %	4.47%
% over target sickness of 3.99%	0.48%
Total FTE calendar days lost	82,960
Average FTE calendar days lost per employee	16
No of ill health retirements	10
No of voluntary resignations - health	28

Staff policies applied during the financial year

For giving full and fair consideration to applications for employment by the company made by disabled persons, having regard to their particular aptitudes and abilities:

The Trust is committed to the full and fair consideration of applications for employment from disabled people. Its policy, HR40 Employing People with Disabilities, reflects current practice in terms of a guaranteed interview scheme for applicants with disabilities who meet the essential criteria of the role. The Trust is continuing to review and cluster all its Human Resources (HR) policies to make them more user-friendly and Equality Impact Assessments are carried out for each cluster of policies to ensure they reflect best practice in industry standards and take into account the current legislative requirements in relation to people with disabilities. The Trust Board is committed to the Equality Delivery System (EDS2) as a means of monitoring and reporting on its progress in all protected characteristics.

For continuing the employment of, and for arranging appropriate training for, employees of the company who have become disabled persons during the period when they were employed by the company:

For existing staff, the Trust runs an Alternative Employment Register for those who become unable to carry out their substantive contract so they can look at all the alternative posts that are available within the Trust which match their skill set, to enable them to carry on working within the Trust. Additional supportive training is also identified on a case-by-case basis where appropriate and reasonable adjustments made.

Otherwise for the training, career development and promotion of disabled persons employed by the Trust:

All members of staff, regardless of disability or any protected characteristic, have access to development and training opportunities through the Trust's education programmes and this is monitored and reported annually to the Board. Access to promotion opportunities is available through the nationally recognised NHS Jobs portal for advertising of jobs.

Reporting related to the review of tax arrangements of public sector appointees

Following the review of the tax arrangements of public sector appointees published by the Chief Secretary to the Treasury on 23 May 2012, departments and their arm's length bodies must publish information on their highly paid and/or senior off-payroll engagements.

The Trust is required to disclose:

- All off-payroll engagements as of 31 March 2019, greater than £245 per day and that last longer than six months (see table 1 below).
- All new off-payroll engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019, greater than £245 per day and that last for longer than six months (see table 2 below).
- Any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2018 and 31 March 2019 (see table 3 below).

Off-payroll engagements

Table 1: Off-payroll engagements longer than 6 months

For all off-payroll engagements as of 31 March 2019, for more than £245 per day and that last longer than six months:	Number
Number of existing engagements as of 31 March 2019	0
Of which, the number that have existed:	
for less than one year at the time of reporting	-
for between one and two years at the time of reporting	-
for between 2 and 3 years at the time of reporting	-
for between 3 and 4 years at the time of reporting	-
for 4 or more years at the time of reporting	-

Table 2: New Off-payroll engagements

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019, for more than £245 per day and that last for longer than six months	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	0
Of which:	-
Number assessed as caught by IR35	-
Number assessed as not caught by IR35	-
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	-
Number of engagements reassessed for consistency/assurance purposes during the year	-
Number of engagements that saw a change to IR35 status following the consistency review	-

Table 3: Off-payroll board member/senior official engagements

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2018 and 31 March 2019	Number
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year	0
Total number of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure includes both on payroll and off-payroll engagements	16

Staff costs

Staff costs

	Permanent	Other	2018/19 Total	2017/18 Total
	£000	£000	£000	£000
Salaries and wages	179,191	1,167	**180,358**	172,042
Social security costs	18,616	-	**18,616**	17,436
Apprenticeship levy	971	-	**971**	929
Employer's contributions to NHS pensions	23,323	-	**23,323**	22,201
Pension cost - other	-	-	**-**	-
Other post employment benefits	-	-	**-**	-
Other employment benefits	-	-	**-**	-
Termination benefits	-	-	**-**	-
Temporary staff	-	35,216	**35,216**	33,387
Total gross staff costs	**222,101**	**36,383**	**258,484**	**245,995**
Recoveries in respect of seconded staff	-	-	**-**	-
Total staff costs	**222,101**	**36,383**	**258,484**	**245,995**
Of which				
Costs capitalised as part of assets	1,108	-	**1,108**	1,024

Average number of employees (WTE basis)

	Permanent	Other	2018/19 Total	2017/18 Total
	Number	Number	Number	Number
Medical and dental	557	68	**625**	623
Ambulance staff	-	-	**-**	-
Administration and estates	1,055	61	**1,116**	1,084
Healthcare assistants and other support staff	1,070	143	**1,213**	1,242
Nursing, midwifery and health visiting staff	1,480	212	**1,692**	1,638
Nursing, midwifery and health visiting learners	16	-	**16**	33
Scientific, therapeutic and technical staff	608	25	**633**	607
Healthcare science staff	293	-	**293**	288
Social care staff	-	-	**-**	-
Other	-	-	**-**	-
Total average numbers	**5,080**	**509**	**5,589**	**5,515**
Of which:				
Number of employees (WTE) engaged on capital projects	20	0	**20**	20

Simon Wright,
Chief Executive

Reporting of compensation schemes: exit packages 2018/19

	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
Exit package cost band (including any special payment element)			
<£10,000	-	28	**28**
£10,000 - £25,000	-	-	**-**
£25,001 - 50,000	-	1	**1**
£50,001 - £100,000	-	-	**-**
£100,001 - £150,000	-	-	**-**
£150,001 - £200,000	-	-	**-**
>£200,000	-	-	**-**
Total number of exit packages by type	**-**	**29**	**29**
Total cost (£)	£0	£112,000	**£112,000**

	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
Exit package cost band (including any special payment element)			
<£10,000	-	-	**-**
£10,000 - £25,000	-	-	**-**
£25,001 - 50,000	-	-	**-**
£50,001 - £100,000	-	-	**-**
£100,001 - £150,000	-	-	**-**
£150,001 - £200,000	-	-	**-**
>£200,000	-	-	**-**
Total number of exit packages by type	**-**	**-**	**-**
Total cost (£)	£0	£0	**£0**

Exit packages: other (non-compulsory) departure payments

	2018/19		2017/18	
	Payments agreed Number	Total value of agreements £000	Payments agreed Number	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	30	112	-	-
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	-	-	-	-
Total	**30**	**112**	**-**	**-**
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-	-	-

As individual exit packages can be made up of several components, the total number of payments listed in this note may exceed the total number of other departures agreed in the note above, which will be the number of individuals.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF THE SHREWSBURY AND TELFORD HOSPITAL NHS TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of The Shrewsbury and Telford Hospital NHS 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 Taxpayers 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
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as being relevant to NHS Trusts in England and included in the Department of Health 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.

Going concern

The Directors have 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 its 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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Director's conclusions we considered the inherent risks to the Trust's operations, including the impact of Brexit, and analysed how these risks might affect the Trust's financial resources, or ability to continue its operations over the going concern period. We have nothing to report in these respects.

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.

Other information in the Annual Report

The Accountable Officer is 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.

Annual Governance Statement

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the Department of Health Group Accounting Manual 2018/19. We have nothing to report in this respect.

Remuneration and Staff Report

In our opinion the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Department of Health Group Accounting Manual 2018/19.

Directors' and Accountable Officer's responsibilities

As explained more fully in the statement set out on page 57, the directors are 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. As explained more fully in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, on Page 57 the Accountable Officer is responsible for ensuring that annual statutory accounts are prepared in a format directed by the Secretary of State".

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.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

Report on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in its use of resources.

Adverse conclusion

As a result of the matters outlined in the basis for adverse conclusion paragraph below, we are unable to satisfy ourselves that, in all significant respects The Shrewsbury and Telford Hospital NHS Trust put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2019.

Basis for adverse conclusion

In November 2018, the Care Quality Commission (CQC) published the results from its latest inspection of the Trust carried out in August and September 2018. This rated the Trust overall

as 'Inadequate' including rating two of the five of the CQC sub categories for Safe and Well-led as 'Inadequate'.

The Trust has reported a deficit of £18.743 million in 2018/19 and now has a cumulative deficit of £90.501 million.

The Trust has also failed to meet a number of operational targets for the year. In particular the Trust has failed to meet its accident and emergency target and the 62 day cancer target.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

As explained in the statement set out on page 57, the Chief Executive, as the Accountable Officer, is responsible for ensuring that value for money is achieved from the resources available to the Trust. We are required under section 21(3)(c), as amended by schedule 13 paragraph 10(a), of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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.

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:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

We are required to report to you if we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

On 22 May 2019, we referred a matter to the Secretary of State under section 30 (1)(b) of the 2014 Act in relation to the breach of the Trust's breakeven duty due to the reported deficit of £18.743 million in 2018/19, and the cumulative deficit of £90.501 million at 31 March 2019.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Board of Directors of The Shrewsbury and Telford Hospital NHS Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Board of the Trust, as a body, those matters we are required to state to them in an auditor's report and for no other purpose.

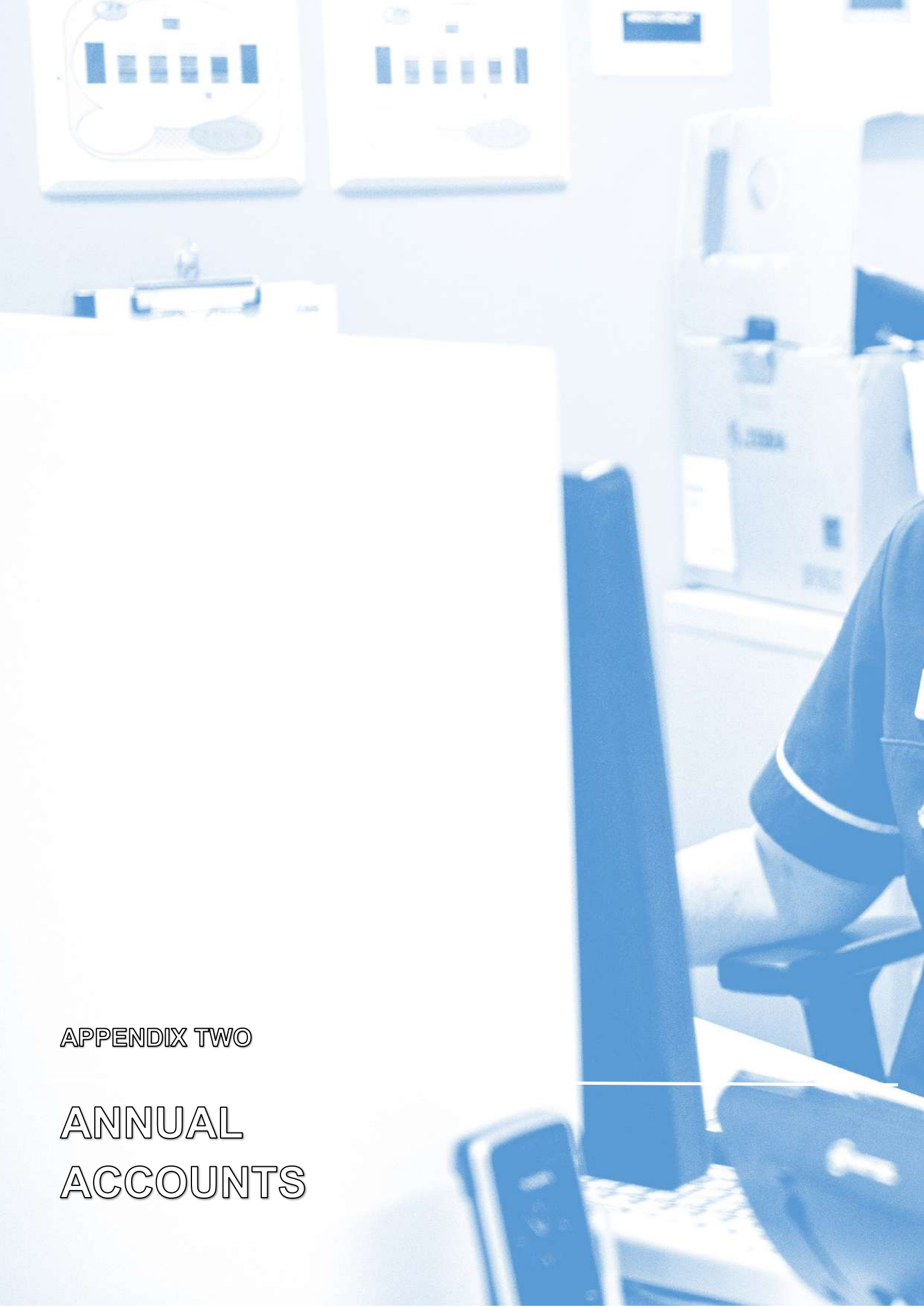
To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of The Shrewsbury and Telford Hospital NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Andrew Cardoza
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

28 May 2019



APPENDIX TWO

ANNUAL ACCOUNTS

Shrewsbury and Telford Hospital NHS Trust

Annual accounts for the year ended 31 March 2019

Statement of Comprehensive Income

	Note	2018/19 £000	2017/18 £000
Operating income from patient care activities	3	340,533	331,474
Other operating income	4	28,653	27,567
Operating expenses	7, 9	(387,050)	(378,637)
Operating deficit from continuing operations		**(17,864)**	**(19,596)**
Finance income	12	86	31
Finance expenses	13	(713)	(521)
PDC dividends payable		(2,817)	(3,713)
Net finance costs		**(3,444)**	**(4,203)**
Other gains / (losses)	14	(127)	(82)
Deficit for the year from continuing operations		**(21,435)**	**(23,881)**
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations		**-**	**-**
Deficit for the year		**(21,435)**	**(23,881)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8	(2,738)	(6,163)
Revaluations	19	1,029	1,132
Total comprehensive income / (expense) for the period		**(23,144)**	**(28,912)**
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		(21,435)	(23,881)
Remove net impairments not scoring to the Departmental expenditure limit		2,651	6,586
Remove I&E impact of donated asset reserve elimination		41	(105)
Adjusted financial performance deficit		**(18,743)**	**(17,400)**

A trust's reported NHS financial performance position is derived from its retained surplus/(deficit) and adjusted for the following:-

Impairments to Fixed Assets - an impairment charge is not considered part of the organisation’s operating position.

Adjustments relating to donated asset reserves which have now been eliminated.

Statement of Financial Position

	Note	31 March 2019 £000	31 March 2018 £000
Non-current assets			
Intangible assets	16	2,619	3,118
Property, plant and equipment	17	154,569	154,334
Investment property	20	-	-
Investments in associates and joint ventures	21	-	-
Other investments / financial assets	22	-	-
Receivables	25	1,534	1,370
Other assets	26	-	-
Total non-current assets		**158,722**	**158,822**
Current assets			
Inventories	24	9,392	7,769
Receivables	25	17,335	18,610
Other investments / financial assets	22	-	-
Other assets	26	-	-
Non-current assets held for sale / assets in disposal groups	27	-	-
Cash and cash equivalents	28	1,700	1,700
Total current assets		**28,427**	**28,079**
Current liabilities			
Trade and other payables	29	(24,313)	(28,183)
Borrowings	32	(20,840)	(15,200)
Other financial liabilities	30	-	-
Provisions	34	(546)	(532)
Other liabilities	31	(1,265)	(1,166)
Liabilities in disposal groups	27	-	-
Total current liabilities		**(46,964)**	**(45,081)**
Total assets less current liabilities		**140,185**	**141,820**
Non-current liabilities			
Trade and other payables	29	-	-
Borrowings	32	(41,655)	(24,209)
Other financial liabilities	30	-	-
Provisions	34	(148)	(159)
Other liabilities	31	-	-
Total non-current liabilities		**(41,803)**	**(24,368)**
Total assets employed		**98,382**	**117,452**
Financed by			
Public dividend capital		205,446	201,372
Revaluation reserve		26,014	27,723
Financial assets reserve		-	-
Other reserves		-	-
Merger reserve		-	-
Income and expenditure reserve		(133,078)	(111,643)
Total taxpayers' equity		**98,382**	**117,452**

The notes on pages 7 to 50 form part of these accounts.

Signed
Name Simon Wright
Position Chief Executive
Date 24 May 2019

Statement of Changes in Equity for the year ended 31 March 2019

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2018 - brought forward	**201,372**	**27,723**	**(111,643)**	**117,452**
Impact of implementing IFRS 15 on 1 April 2018	-	-	-	**-**
Impact of implementing IFRS 9 on 1 April 2018	-	-	-	**-**
Surplus/(deficit) for the year	-	-	(21,435)	**(21,435)**
Transfers by absorption: transfers between reserves	-	-	-	**-**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	**-**
Other transfers between reserves	-	-	-	**-**
Impairments	-	(2,738)	-	**(2,738)**
Revaluations	-	1,029	-	**1,029**
Transfer to retained earnings on disposal of assets	-	-	-	**-**
Share of comprehensive income from associates and joint ventures	-	-	-	**-**
Fair value gains/(losses) on financial assets mandated at fair value through OCI	-	-	-	**-**
Fair value gains/(losses) on equity instruments designated at fair value through OCI	-	-	-	**-**
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	-	-	-	**-**
Foreign exchange gains/(losses) recognised directly in OCI	-	-	-	**-**
Other recognised gains and losses	-	-	-	**-**
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	**-**
Public dividend capital received	4,074	-	-	**4,074**
Public dividend capital repaid	-	-	-	**-**
Public dividend capital written off	-	-	-	**-**
Other movements in public dividend capital in year	-	-	-	**-**
Other reserve movements	-	-	-	**-**
Taxpayers' equity at 31 March 2019	**205,446**	**26,014**	**(133,078)**	**98,382**

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

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2017 - brought forward	**199,606**	**32,754**	**(87,762)**	**144,598**
Prior period adjustment	-	-	-	**-**
Taxpayers' equity at 1 April 2017 - restated	**199,606**	**32,754**	**(87,762)**	**144,598**
Surplus/(deficit) for the year	-	-	(23,881)	**(23,881)**
Transfers by absorption: transfers between reserves	-	-	-	**-**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	**-**
Other transfers between reserves	-	-	-	**-**
Impairments	-	(6,163)	-	**(6,163)**
Revaluations	-	1,132	-	**1,132**
Transfer to retained earnings on disposal of assets	-	-	-	**-**
Share of comprehensive income from associates and joint ventures	-	-	-	**-**
Fair value gains/(losses) on available-for-sale financial investments	-	-	-	**-**
Recycling gains/(losses) on available-for-sale financial investments	-	-	-	**-**
Foreign exchange gains/(losses) recognised directly in OCI	-	-	-	**-**
Other recognised gains and losses	-	-	-	**-**
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	**-**
Public dividend capital received	1,766	-	-	**1,766**
Public dividend capital repaid	-	-	-	**-**
Public dividend capital written off	-	-	-	**-**
Other movements in public dividend capital in year	-	-	-	**-**
Other reserve movements	-	-	-	**-**
Taxpayers' equity at 31 March 2018	**201,372**	**27,723**	**(111,643)**	**117,452**

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 £000	2017/18 £000
Cash flows from operating activities			
Operating surplus / (deficit)		(17,864)	(19,596)
Non-cash income and expense:			
Depreciation and amortisation	7.1	10,897	10,795
Net impairments	8	2,651	6,586
Income recognised in respect of capital donations	4	(977)	(1,016)
(Increase) / decrease in receivables and other assets		981	(3,730)
(Increase) / decrease in inventories		(1,623)	91
Increase / (decrease) in payables and other liabilties		(1,557)	3,759
Increase / (decrease) in provisions		(30)	(159)
Tax (paid) / received		-	-
Operating cash flows from discontinued operations		-	-
Other movements in operating cash flows		-	-
Net cash generated from / (used in) operating activities		**(7,522)**	**(3,270)**
Cash flows from investing activities			
Interest received		82	30
Purchase and sale of financial assets / investments		-	-
Purchase of intangible assets		(484)	(1,242)
Sales of intangible assets		-	-
Purchase of property, plant, equipment and investment property		(16,760)	(12,978)
Sales of property, plant, equipment and investment property		-	102
Receipt of cash donations to purchase capital assets		977	1,016
Investing cash flows of discontinued operations		-	-
Cash movement from acquisitions / disposals of subsidiaries		-	-
Net cash generated from / (used in) investing activities		**(16,185)**	**(13,072)**
Cash flows from financing activities			
Public dividend capital received		4,074	1,766
Public dividend capital repaid		-	-
Movement on loans from the Department of Health and Social Care		22,950	14,902
Movement on other loans		-	-
Other capital receipts		-	-
Capital element of finance lease rental payments		-	-
Interest on loans		(634)	(392)
Other interest		-	-
Interest paid on finance lease liabilities		-	-
PDC dividend (paid) / refunded		(2,683)	(3,916)
Financing cash flows of discontinued operations		-	-
Cash flows from (used in) other financing activities		-	-
Net cash generated from / (used in) financing activities		**23,707**	**12,360**
Increase / (decrease) in cash and cash equivalents		**-**	**(3,982)**
Cash and cash equivalents at 1 April - brought forward		**1,700**	**5,682**
Prior period adjustments			-
Cash and cash equivalents at 1 April - restated		**1,700**	**5,682**
Cash and cash equivalents transferred under absorption accounting	44	-	-
Unrealised gains / (losses) on foreign exchange		-	-
Cash and cash equivalents at 31 March	28.1	**1,700**	**1,700**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 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.

Note 1.1.1 Accounting convention

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

Note 1.1.2 Going Concern

Going Concern

International Accounting Standard 1 requires the Board to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern. In the context of non-trading entities in the public sector the anticipated continuation of the provision of a service in the future is normally sufficient evidence of going concern. The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the Trust without transfer of its services to another entity within the public sector.

In preparing the financial statements the Board of Directors has considered the Trust's overall financial position against the requirements of IAS1. The Board has also based its assessment on guidance from NHS Improvement about what is required to undertake a Trust's Going Concern assessment.

Continuity of service

At the end of the 2018/19 financial year the Trust is reporting a pre provider sustainability fund (PSF) deficit of £23.927m, £5.488m worse than plan. The Trust however, agreed a revised outturn figure with NHSI in November 2018 of a £23.982m deficit, against this profile the Trust is £0.055m better than plan. The Trust received a bonus PSF payment in the month of March 2019 of £4.152m, this coupled with the £1.032m received in quarter 1 for hitting the financial control total leads to the Trust presenting a post PSF deficit of £18.743m, £10.128m worse than plan.

The clinical income assumptions included in the 2019/20 plan are supported by signed contracts with Commissioners. The plan also recognises risks to its delivery such as bed capacity, potential income mitigations from Commissioners, cost pressures within Shropshire and Telford and Wrekin.

The NHS Long Term Plan includes financial settlement which puts the NHS on a sustainable footing by moving away from a system where provider deficits are the norm. This commitment is supported by allocating additional cash-backed resources of £17.351m to the Trust in the form of PSF, Financial Recovery Fund (FRF) and marginal rate emergency tariff (MRET).

With full knowledge of the above, as the Trust has not received any notice of discontinuation or notice of transfer of its services to another entity, it intends to prepare its accounts on a going concern basis.

Note 1.1.3 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the NHS trust’s accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Charitable Funds: Following Treasury’s agreement to apply IAS 27 (Consolidation and Separate Financial Statements) to NHS Charities from 1 April 2013, the Shrewsbury and Telford Hospital NHS Trust has established that as the trust is the Corporate Trustee of the linked NHS Charity, it effectively has the power to exercise control so as to obtain economic benefits so therefore may have needed to consolidate its NHS Charity Accounts into its NHS Trust Accounts. The trust has considered the income, expenditure, assets and liabilities of the NHS Charity to be immaterial in the context of the accounts of the NHS Trust and have not consolidated these into the trust's accounts.

Note 1.1.4 Sources of estimation uncertainty

In the application of the NHS 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 estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Accruals: The trust has estimated income and expenditure where amounts are unaccounted for yet still owed/owing at the end of the accounting period so as to record revenue and expenses in the period in which they incurred.

Provisions: Provisions have been made for probable legal and constructive obligations of uncertain timings and amount as at the reporting date. These are based on estimates using relevant and reliable information as is available at the time the financial statements are prepared, These provisions are estimates of the actual costs of future cash flows and are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

Income: The trust has estimated income by calculating over and under performance of contracts with NHS commissioners based on forecast outturns with relevant income adjustments made. Discussions are held with commissioners on a regular basis regarding activity levels against their contracts, particularly towards and immediately after the year-end.

Revaluation: The trust commissioned Deloitte Real Estate to undertake revaluation of the trust's estate as at 31 March 2019. Residential Land and Dwellings are valued at Market Value in existing use. Specialised buildings are valued at Depreciated Replacement Cost defined as Modern Equivalent Asset. An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Note 1.1.5 Interests in other entities

Associates
There are no associate entities those over which the trust has the power to exercise a significant influence.

Joint ventures
There are no joint ventures in which the trust participates in with one or more other parties.

Joint operations
There are no joint operations in which the trust participates in with one or more other parties.

Note 1.2.1 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.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners in respect of health care services. Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where a patient care spell is incomplete at the year end, revenue relating to the partially complete spell is accrued in the same manner as other revenue.

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.

Where the Trust is aware of a penalty based on contractual performance, the Trust reflects this in the transaction price for its recognition of revenue. Revenue is reduced by the value of the penalty.

The Trust does not receive income where a patient is readmitted within 30 days of discharge from a previous planned stay. This is considered an additional performance obligation to be satisfied under the original transaction price. An estimate of readmissions is made at the year end this portion of revenue is deferred as a contract liability.

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

As per paragraph 121 of the Standard the Trust does not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less. The GAM does not require the Trust to disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date. The GAM has mandated the exercise of the practical expedient offered in C7A of the Standard that requires the Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract.

NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Note 1.2.2 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.

Note 1.2.3 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 1.3 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 NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme.

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

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

Note 1.4 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 1.5 Property, plant and equipment

Note 1.5.1 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 1.5.2 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 of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

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

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. Assets are revalued and depreciation commences when the assets are brought into use.

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

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

Depreciation
Items of property, plant and equipment are depreciated over their remaining useful 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 1.5.3 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.

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 1.5.4 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 1.5.5 Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions
The trust has no PFI or LIFT agreements.

Note 1.5.6 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:

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	1	75
Dwellings	25	31
Plant & machinery	5	29
Transport equipment	10	10
Information technology	3	10
Furniture & fittings	5	23

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.6 Intangible assets

Note 1.6.1 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.

Internally generated intangible assets

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

Expenditure on research is not capitalised.

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

Software

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

Note 1.6.2 Measurement

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

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

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

Amortisation

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

Note 1.6.3 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:

	Min life Years	Max life Years
Information technology	5	12
Development expenditure	-	-
Websites	-	-
Software licences	3	7
Licences & trademarks	-	-
Patents	-	-
Other (purchased)	-	-
Goodwill	-	-

Note 1.7 Inventories

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

Note 1.8 Investment properties
The trust does not hold any assets which are held solely to generate a commercial return.

Note 1.9 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 1.10 Carbon Reduction Commitment scheme (CRC)

The CRC scheme is a mandatory cap and trade scheme for non-transport CO2 emissions. The trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO2 it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO2 emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO2 emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

Allowances acquired under the scheme are recognised as intangible assets.

Note 1.11 Financial assets and financial liabilities

Note 1.11.1 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 1.11.2 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 or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are subsequently measured at fair value through income and expenditure.

Financial liabilities are subsequently measured at fair value through income and expenditure.

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.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

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

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

Impairment of financial assets

For all financial assets including lease receivables, contract receivables measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

The Trust adopts a simplified approach to impairment for contract and other receivables, contract assets and lease receivables. All debts more than three months old are set up as potential credit losses except those that could be offset against any salary payments. All overseas accounts are set up as potential credit losses on a monthly basis.The trust does not normally recognise expected credit losses in relation to other NHS bodies.

Income received under the NHS injury cost recovery scheme is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset. Each year, the Compensation Recovery Unit (CRU) advises a percentage probability of not receiving the income. For 2018-19 this figure is 21.89% which is included in Note 25.2.

The trust does not have any other financial assets that require impairment.

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 1.11.3 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 1.12 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 1.12.1 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.

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 1.12.2 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 1.13 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.

Early retirement provisions are discounted using HM Treasury's pension discount rate of positive 0.29% (2017-18: positive 0.10%) in real terms.

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 34 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 1.14 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 note 35 where an inflow of economic benefits is probable.
Contingent liabilities are not recognised, but are disclosed in note 35, 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 1.15 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 1.16 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 1.17 Corporation tax

The trust has no corporation tax liability.

Note 1.18 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 1.19 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 1.20 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 is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.21 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 1.22 Transfers of functions to / from other NHS bodies / local government bodies

There have been no functions that have been transferred to/from the trust from/to other NHS/local government bodies.

Note 1.23 Early adoption of standards, amendments and interpretations
No new accounting standards or revisions to existing standards have been early adopted in 2018/19.

Note 1.24 Standards, amendments and interpretations in issue but not yet effective or adopted

The DHSC GAM does not require the following IFRS 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 23 Uncertainty over Income Tax Treatments – Application required for accounting periods beginning on or after 1 January 2019.

Note 2 Operating Segments

The trust operates in one material segment which is the provision of heathcare services with the Trust Board as it's chief operating decision maker deciding how to allocate resources and assessing performance.

Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.2.1.

Note 3.1 Income from patient care activities (by nature)	**2018/19 £000**	**2017/18 £000**
Acute services		
Elective income	48,029	46,748
Non elective income	125,201	118,034
First outpatient income	26,196	25,446
Follow up outpatient income	22,738	22,787
A & E income	16,432	14,551
High cost drugs income from commissioners (excluding pass-through costs)	30,405	31,283
Other NHS clinical income	64,877	69,709
Community services		
Income from other sources (e.g. local authorities)	-	87
All services		
Private patient income	1,042	1,235
Agenda for Change pay award central funding	3,949	-
Other clinical income	1,664	1,594
Total income from activities	**340,533**	**331,474**

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	**2018/19 £000**	**2017/18 £000**
NHS England	54,363	56,811
Clinical commissioning groups	249,166	242,067
Department of Health and Social Care	3,949	-
Other NHS providers	1,116	1,192
NHS other	129	129
Local authorities	-	86
Non-NHS: private patients	1,042	1,237
Non-NHS: overseas patients (chargeable to patient)	130	190
Injury cost recovery scheme*	1,534	1,370
Non NHS: other**	29,104	28,392
Total income from activities	**340,533**	**331,474**
Of which:		
Related to continuing operations	340,533	331,474
Related to discontinued operations	-	-

* Injury cost recovery income is subject to a provision for impairment of receivables of 21.89% for 2018-19 (previously 22.84%) to reflect expected rates of collection.

** Non-NHS-Other includes income of £29.02m from Welsh bodies (2017-18: £28.3m).

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

	2018/19	2017/18
	£000	£000
Income recognised this year	130	190
Cash payments received in-year	92	130
Amounts added to provision for impairment of receivables	26	62
Amounts written off in-year	5	-

Note 4 Other operating income

	2018/19	2017/18
	£000	£000
Other operating income from contracts with customers:		
Research and development (contract)	224	193
Education and training (excluding notional apprenticeship levy income)	12,371	12,342
Non-patient care services to other bodies	1,926	1,908
Provider sustainability/sustainability and transformation fund income (PSF/STF)	5,184	3,932
Income in respect of employee benefits accounted on a gross basis	-	-
Other contract income*	7,971	8,176
Other non-contract operating income		
Research and development (non-contract)	-	-
Education and training - notional income from apprenticeship fund	-	-
Receipt of capital grants and donations	977	1,016
Charitable and other contributions to expenditure	-	-
Support from the Department of Health and Social Care for mergers	-	-
Rental revenue from finance leases	-	-
Rental revenue from operating leases	-	-
Other non-contract income	-	-
Total other operating income	**28,653**	**27,567**
Of which:		
Related to continuing operations	28,653	27,567
Related to discontinued operations	-	-

*The majority of 'Other Income' is for car parking, radiology, cardiorespiratory, dietetics, speech therapists and maternity pathways.

Note 5.1 Additional information on revenue from contracts with customers recognised in the period

	2018/19
	£000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	1,166
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-

Note 5.2 Transaction price allocated to remaining performance obligations

Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	31 March 2019 £000
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 6 Fees and charges

The Trust undertakes income generation schemes with an aim of achieving profit, which is then used in patient care. The Trust has no income generation activities whose full cost exceeded £1m.

Note 7.1 Operating expenses

	2018/19	2017/18
	£000	£000
Purchase of healthcare from non-NHS and non-DHSC bodies	414	826
Staff and executive directors costs	257,376	244,971
Remuneration of non-executive directors	80	78
Supplies and services - clinical (excluding drugs costs)	27,219	28,754
Supplies and services - general	5,596	5,506
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	39,484	38,061
Inventories written down	198	152
Consultancy costs	579	897
Establishment	5,038	4,017
Premises	14,820	14,631
Transport (including patient travel)	721	668
Depreciation on property, plant and equipment	9,931	9,944
Amortisation on intangible assets	966	851
Net impairments	2,651	6,586
Movement in credit loss allowance: contract receivables / contract assets	395	
Movement in credit loss allowance: all other receivables and investments	-	344
Increase/(decrease) in other provisions	400	357
Change in provisions discount rate(s)	2	1
Audit fees payable to the external auditor		
audit services- statutory audit*	84	79
other auditor remuneration (external auditor only)**	10	10
Internal audit costs	132	148
Clinical negligence	12,975	13,864
Legal fees	266	420
Insurance	22	4
Education and training	882	924
Rentals under operating leases	5,856	5,026
Car parking & security	419	361
Losses, ex gratia & special payments	31	466
Other	503	691
Total	**387,050**	**378,637**
Of which:		
Related to continuing operations	387,050	378,637
Related to discontinued operations	-	-

*audit services- statutory audit of £70,180 plus £14,036 of VAT

**other auditor remuneration (external auditor only) of £8,520 plus £1,704 of VAT

Note 7.2 Other auditor remuneration

	2018/19	2017/18
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	10	10
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	**10**	**10**

Note 7.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £5m (2017/18: £5m).

Note 8 Impairment of assets

	2018/19	2017/18
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	-	-
Over specification of assets	-	-
Abandonment of assets in course of construction	-	-
Unforeseen obsolescence	-	-
Loss as a result of catastrophe	-	-
Changes in market price	2,651	6,553
Other	-	33
Total net impairments charged to operating surplus / deficit	**2,651**	**6,586**
Impairments charged to the revaluation reserve	2,738	6,163
Total net impairments	**5,389**	**12,749**

The trust commissioned Deloitte Real Estate to undertake revaluations of the Trust's Estate as at 31 March 2019. The valuation has been prepared by David Cooney, MA. MRICS, under the supervision of Edwin Bray MRICS, a Partner at Deloittte LLP. The valuations have been undertaken following the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards 2017 (the Global Standards) including the UK national supplement (Red Book). The valuations are compliant with the International Valuation Standards (IVS) 2017, which is incorporated within the Global Standards as relevant to the valuation date. As a result of these revaluations the Net Book Value of the Estate was valued downwards by £4,359,141 as follows:
Revaluation Reserve – total £1,708,302 charged, representing a Revaluation upwards of £1,028,690 and net decrease of £2,736,993. The decrease results from Impairments charged of £2,957,628 and Reversal of Impairments of £220,636. Impairments charged to SoCI of £2,650,839.
The downward revaluation did not arise due to a clear consumption of economic benefits for service potential.

Note 9 Employee benefits

	2018/19 Total £000	2017/18 Total £000
Salaries and wages	180,358	172,042
Social security costs	18,616	17,436
Apprenticeship levy	971	929
Employer's contributions to NHS pensions	23,323	22,201
Pension cost - other	-	-
Other post employment benefits	-	-
Other employment benefits	-	-
Termination benefits	-	-
Temporary staff (bank)	18,470	14,645
Temporary staff (agency)	16,746	18,742
Total gross staff costs	**258,484**	**245,995**
Recoveries in respect of seconded staff	**-**	-
Total staff costs	**258,484**	**245,995**
Of which		
Costs capitalised as part of assets	1,108	1,024

Note 9.1 Retirements due to ill-health

During 2018/19 there were 3 early retirements from the trust agreed on the grounds of ill-health (3 in the year ended 31 March 2018). The estimated additional pension liabilities of these ill-health retirements is £95k (£182k 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. 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 Shrewsbury and Telford Hospital NHS Trust as a lessor

There are no operating lease agreements where Shrewsbury and Telford Hospital NHS Trust is the lessor.

Note 11.2 Shrewsbury and Telford Hospital NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where the Shrewsbury and Telford Hospital NHS Trust is the lessee.

The trust has a contract for computerised digital imaging and archiving service contracts within Radiology. The term of the contract, which covers the Royal Shrewsbury Hospital and the Princess Royal Hospital, is 10 years and commenced on 1 January 2016.

The trust has an operating lease relating to an investment in replacing the boiler plant at the Royal Shrewsbury Hospital, the term of the lease is 15 years and commenced 1 April 2007.

The trust has a print managed service contract for both hospitals. The lease commenced 1 July 2017 for 5 years.

The trust has three property leases. A new lease for the off site office accommodation commenced on 21 July 2015 for 10 years. The lease for the off site sterile services facility is for 20 years commencing 1 April 2010. A lease for accommodation for the Fertility department commenced 13 June 2018 with a break clause after 5 years.

The trust has entered into leases for the provision of staff and office accommodation facilities at the Royal Shrewsbury Hospital.

The trust has several managed service contracts for the provision of services within the Pathology and Radiology departments.

The Trust also leases cars and adhoc medical equipment.

	2018/19 £000	2017/18 £000
Operating lease expense		
Minimum lease payments	5,856	5,026
Contingent rents	-	
Less sublease payments received	-	-
Total	**5,856**	**5,026**

	31 March 2019 £000	31 March 2018 £000
Future minimum lease payments due:		
- not later than one year;	5,285	4,737
- later than one year and not later than five years;	17,469	16,885
- later than five years.	4,801	7,981
Total	**27,555**	**29,603**
Future minimum sublease payments to be received	-	-

Note 12 Finance income

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

	2018/19	2017/18
	£000	£000
Interest on bank accounts	86	31
Interest income on finance leases	-	-
Interest on other investments / financial assets	-	-
Other finance income	-	-
Total finance income	**86**	**31**

Note 13.1 Finance expenditure

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

	2018/19	2017/18
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	680	448
Other loans	-	-
Overdrafts	-	-
Finance leases	-	-
Interest on late payment of commercial debt	-	38
Total interest expense	**680**	**486**
Unwinding of discount on provisions	33	35
Other finance costs	-	-
Total finance costs	**713**	**521**

Note 13.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2018/19	2017/18
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	-	-
Amounts included within interest payable arising from claims under this legislation	-	38
Compensation paid to cover debt recovery costs under this legislation	-	-

Note 14 Other gains / (losses)

	2018/19	2017/18
	£000	£000
Gains on disposal of assets	-	102
Losses on disposal of assets	(127)	(184)
Total gains / (losses) on disposal of assets	**(127)**	**(82)**
Gains / (losses) on foreign exchange	-	-
Fair value gains / (losses) on investment properties	-	-
Fair value gains / (losses) on financial assets / investments	-	-
Fair value gains / (losses) on financial liabilities	-	-
Total other gains / (losses)	**(127)**	**(82)**

Note 15 Discontinued operations

There are no discontinued operations.

Note 16.1 Intangible assets - 2018/19

	Software licences £000	Licences & trademarks £000	Patents £000	Internally generated information technology £000	Development expenditure £000	Goodwill £000	Websites £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2018 - brought forward	**410**	**-**	**-**	**6,383**	**-**	**-**	**-**	**47**	**-**	**6,840**
Transfers by absorption	-	-	-	-	-	-	-	-	-	**-**
Additions	14	-	-	220	-	-	-	48	-	**282**
Impairments	-	-	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	-	-	-	-	**-**
Reclassifications	(23)	-	-	421	-	-	-	-	-	**398**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	(122)	-	-	(52)	-	-	-	-	-	**(174)**
Valuation / gross cost at 31 March 2019	**279**	**-**	**-**	**6,972**	**-**	**-**	**-**	**95**	**-**	**7,346**
Amortisation at 1 April 2018 - brought forward	**276**	**-**	**-**	**3,446**	**-**	**-**	**-**	**-**	**-**	**3,722**
Transfers by absorption	-	-	-	-	-	-	-	-	-	**-**
Provided during the year	60	-	-	906	-	-	-	-	-	**966**
Impairments	-	-	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	-	-	-	-	**-**
Reclassifications	(16)	-	-	229	-	-	-	-	-	**213**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	(122)	-	-	(52)	-	-	-	-	-	**(174)**
Amortisation at 31 March 2019	**198**	**-**	**-**	**4,529**	**-**	**-**	**-**	**-**	**-**	**4,727**
Net book value at 31 March 2019	**81**	**-**	**-**	**2,443**	**-**	**-**	**-**	**95**	**-**	**2,619**
Net book value at 1 April 2018	**134**	**-**	**-**	**2,937**	**-**	**-**	**-**	**47**	**-**	**3,118**

Note 16.2 Intangible assets - 2017/18

	Software licences £000	Licences & trademarks £000	Patents £000	Internally generated information technology £000	Development expenditure £000	Goodwill £000	Websites £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2017 - as previously stated	**410**	**-**	**-**	**5,438**	**-**	**-**	**-**	**-**	**-**	**5,848**
Prior period adjustments	-	-	-	-	-	-	-	-	-	**-**
Valuation / gross cost at 1 April 2017 - restated	**410**	**-**	**-**	**5,438**	**-**	**-**	**-**	**-**	**-**	**5,848**
Transfers by absorption	-	-	-	-	-	-	-	-	-	**-**
Additions	-	-	-	861	-	-	-	45	-	**906**
Impairments	-	-	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	-	-	-	-	**-**
Reclassifications	-	-	-	84	-	-	-	2	-	**86**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	-	-	-	-	-	**-**
Valuation / gross cost at 31 March 2018	**410**	**-**	**-**	**6,383**	**-**	**-**	**-**	**47**	**-**	**6,840**
Amortisation at 1 April 2017 - as previously stated	**210**	**-**	**-**	**2,661**	**-**	**-**	**-**	**-**	**-**	**2,871**
Prior period adjustments	-	-	-	-	-	-	-	-	-	**-**
Amortisation at 1 April 2017 - restated	**210**	**-**	**-**	**2,661**	**-**	**-**	**-**	**-**	**-**	**2,871**
Transfers by absorption	-	-	-	-	-	-	-	-	-	**-**
Provided during the year	66	-	-	785	-	-	-	-	-	**851**
Impairments	-	-	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	-	-	-	-	-	**-**
Amortisation at 31 March 2018	**276**	**-**	**-**	**3,446**	**-**	**-**	**-**	**-**	**-**	**3,722**
Net book value at 31 March 2018	**134**	**-**	**-**	**2,937**	**-**	**-**	**-**	**47**	**-**	**3,118**
Net book value at 1 April 2017	**200**	**-**	**-**	**2,777**	**-**	**-**	**-**	**-**	**-**	**2,977**

Note 17.1 Property, plant and equipment - 2018/19

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2018 - brought forward	**13,157**	**108,438**	**486**	**5,041**	**46,125**	**375**	**11,200**	**2,316**	**187,138**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Additions	-	5,617	-	4,725	3,118	13	1,028	337	**14,838**
Impairments	(58)	(12,141)	-	-	-	-	-	-	**(12,199)**
Reversals of impairments	1,433	(33)	652	-	-	-	-	-	**2,052**
Revaluations	-	-	1,014	-	-	-	-	-	**1,014**
Reclassifications	(1)	2,454	(1)	(3,652)	1,109	-	(313)	6	**(398)**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(456)	-	-	-	**(456)**
Valuation/gross cost at 31 March 2019	**14,531**	**104,335**	**2,151**	**6,114**	**49,896**	**388**	**11,915**	**2,659**	**191,989**
Accumulated depreciation at 1 April 2018 - brought forward	**-**	**170**	**-**	**-**	**25,137**	**235**	**5,713**	**1,549**	**32,804**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Provided during the year	-	4,809	16	-	3,606	37	1,323	140	**9,931**
Impairments	-	(4,481)	-	-	-	-	-	-	**(4,481)**
Reversals of impairments	-	(277)	-	-	-	-	-	-	**(277)**
Revaluations	-	-	(15)	-	-	-	-	-	**(15)**
Reclassifications	-	-	(1)	-	-	-	(213)	1	**(213)**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(329)	-	-	-	**(329)**
Accumulated depreciation at 31 March 2019	**-**	**221**	**-**	**-**	**28,414**	**272**	**6,823**	**1,690**	**37,420**
Net book value at 31 March 2019	**14,531**	**104,114**	**2,151**	**6,114**	**21,482**	**116**	**5,092**	**969**	**154,569**
Net book value at 1 April 2018	**13,157**	**108,268**	**486**	**5,041**	**20,988**	**140**	**5,487**	**767**	**154,334**

Note 17.2 Property, plant and equipment - 2017/18

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2017 - as previously stated	**13,157**	**118,056**	**491**	**5,113**	**45,829**	**375**	**15,750**	**5,726**	**204,497**
Prior period adjustments	-	-	-	-	-	-	-	-	**-**
Valuation / gross cost at 1 April 2017 - restated	**13,157**	**118,056**	**491**	**5,113**	**45,829**	**375**	**15,750**	**5,726**	**204,497**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Additions	-	5,479	-	4,191	1,026	26	1,125	99	**11,946**
Impairments	-	(19,613)	-	-	-	-	-	-	**(19,613)**
Reversals of impairments	-	2,373	(5)	-	(120)	-	-	-	**2,248**
Revaluations	-	646	-	-	-	-	-	-	**646**
Reclassifications	-	1,497	-	(4,263)	6,143	(1)	46	(3,509)	**(87)**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(6,753)	(25)	(5,721)	-	**(12,499)**
Valuation/gross cost at 31 March 2018	**13,157**	**108,438**	**486**	**5,041**	**46,125**	**375**	**11,200**	**2,316**	**187,138**
Accumulated depreciation at 1 April 2017 - as previously stated	**-**	**121**	**-**	**-**	**26,247**	**226**	**10,159**	**3,525**	**40,278**
Prior period adjustments	-	-	-	-	-	-	-	-	**-**
Accumulated depreciation at 1 April 2017 - restated	**-**	**121**	**-**	**-**	**26,247**	**226**	**10,159**	**3,525**	**40,278**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Provided during the year	-	5,051	16	-	3,333	35	1,275	234	**9,944**
Impairments	-	(4,097)	-	-	-	-	-	-	**(4,097)**
Reversals of impairments	-	(417)	(16)	-	(86)	-	-	-	**(519)**
Revaluations	-	(486)	-	-	-	-	-	-	**(486)**
Reclassifications	-	(2)	-	-	2,212	(1)	-	(2,210)	**(1)**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(6,569)	(25)	(5,721)	-	**(12,315)**
Accumulated depreciation at 31 March 2018	**-**	**170**	**-**	**-**	**25,137**	**235**	**5,713**	**1,549**	**32,804**
Net book value at 31 March 2018	**13,157**	**108,268**	**486**	**5,041**	**20,988**	**140**	**5,487**	**767**	**154,334**
Net book value at 1 April 2017	**13,157**	**117,935**	**491**	**5,113**	**19,582**	**149**	**5,591**	**2,201**	**164,219**

Note 17.3 Property, plant and equipment financing - 2018/19

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019									
Owned - purchased	14,531	100,531	2,151	6,018	16,970	116	5,046	876	**146,239**
Finance leased	-	-	-	-	-	-	-	-	**-**
On-SoFP PFI contracts and other service concession arrangements	-	-	-	-	-	-	-	-	**-**
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	**-**
Owned - government granted	-	-	-	-	-	-	-	-	**-**
Owned - donated	-	3,583	-	96	4,512	-	46	93	**8,330**
NBV total at 31 March 2019	**14,531**	**104,114**	**2,151**	**6,114**	**21,482**	**116**	**5,092**	**969**	**154,569**

Note 17.4 Property, plant and equipment financing - 2017/18

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2018									
Owned - purchased	13,157	104,472	486	4,165	17,097	140	5,420	652	**145,589**
Finance leased	-	-	-	-	-	-	-	-	**-**
On-SoFP PFI contracts and other service concession arrangements	-	-	-	-	-	-	-	-	**-**
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	**-**
Owned - government granted	-	-	-	-	-	-	-	-	**-**
Owned - donated	-	3,796	-	876	3,891	-	67	115	**8,745**
NBV total at 31 March 2018	**13,157**	**108,268**	**486**	**5,041**	**20,988**	**140**	**5,487**	**767**	**154,334**

Note 18 Donations of property, plant and equipment

During 2018/19 various pieces of medical equipment have been donated by Royal Shrewsbury Hospital League of Friends; Friends of Princess Royal Hospital; The Shrewsbury and Telford Hospital NHS Trust Charitable Funds and Lingen Davies Cancer Fund.

Note 19 Revaluations of property, plant and equipment

The trust commissioned Deloitte Real Estate to undertake revaluations of the Trust's Estate as at 31 March 2019. The valuation has been prepared by David Cooney, MA. MRICS, under the supervision of Edwin Bray MRICS, a Partner at Deloittte LLP. The valuations have been undertaken following the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards 2017 (the Global Standards) including the UK national supplement (Red Book). The valuations are compliant with the International Valuation Standards (IVS) 2017, which is incorporated within the Global Standards as relevant to the valuation date. As a result of these revaluations the Net Book Value of the Estate was valued downwards by £4,359,141 as follows:
Revaluation Reserve – total £1,708,302 charged, representing a Revaluation upwards of £1,028,690 and net decrease of £2,736,993. The decrease results from Impairments charged of £2,957,628 and Reversal of Impairments of £220,636.
Impairments charged to SoCI of £2,650,839.
The downward revaluation did not arise due to a clear consumption of economic benefits for service potential.

The remaining residential blocks at Royal Shrewsbury Hospital are currently not in active use, however, they are not classifed as held for sale due to the future reconfiguration of hospital services.

Note 20 Investment Property

The trust has no investment property that requires disclosure within this note.

Note 21 Investments in associates and joint ventures

The trust has no investments in associates or joint ventures.

Note 22 Other investments / financial assets (current and non-current)

The trust has no other current or non-current investments or financial assets.

Note 23 Disclosure of interests in other entities

The trust has no interests in unconsolidated subsidiaries, joint ventures, associates or unconsolidated structured entities that require disclosures within this note.

Note 24 Inventories

	31 March 2019 £000	31 March 2018 £000
Drugs	2,319	1,929
Work In progress	-	-
Consumables	6,895	5,687
Energy	178	153
Other	-	-
Total inventories	**9,392**	**7,769**

Inventories recognised in expenses for the year were £70,322k (2017/18: £69,807k). Write-down of inventories recognised as expenses for the year were £198k (2017/18: £152k).

Note 25.1 Trade receivables and other receivables

	31 March 2019 £000	31 March 2018 £000
Current		
Contract receivables*	13,787	-
Contract assets*	-	-
Trade receivables*	-	9,777
Capital receivables	-	-
Accrued income*	-	6,054
Allowance for impaired contract receivables / assets*	(774)	
Allowance for other impaired receivables	-	(739)
Deposits and advances	-	-
Prepayments (non-PFI)	2,394	1,776
Interest receivable	7	3
Finance lease receivables	-	-
PDC dividend receivable	101	235
VAT receivable	831	517
Other receivables	989	987
Total current trade and other receivables	**17,335**	**18,610**
Non-current		
Contract receivables*	1,534	
Contract assets*	-	
Trade receivables*		-
Capital receivables	-	-
Accrued income*		-
Allowance for impaired contract receivables / assets*	-	
Allowance for other impaired receivables	-	-
Deposits and advances	-	-
Prepayments (non-PFI)	-	-
Interest receivable	-	-
Finance lease receivables	-	-
VAT receivable	-	-
Other receivables	-	1,370
Total non-current trade and other receivables	**1,534**	**1,370**
Of which receivables from NHS and DHSC group bodies:		
Current	10,227	11,421
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 25.2 Allowances for credit losses - 2018/19

	Contract receivables and contract assets	All other receivables
	£000	£000
Allowances as at 1 Apr 2018 - brought forward		739
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	739	(739)
Transfers by absorption	-	-
New allowances arising	453	-
Changes in existing allowances	-	-
Reversals of allowances	(58)	-
Utilisation of allowances (write offs)	(360)	-
Changes arising following modification of contractual cash flows	-	-
Foreign exchange and other changes	-	-
Allowances as at 31 Mar 2019	**774**	**-**

Injury cost recovery income is subject to a provision for impairment of receivables of 21.89% for 2018-19 (previously 22.84%) to reflect expected rates of collection.

Invoices raised to overseas visitors are provided for immediately as a high number of these invoices are not collected.

Specific provisions are made against any invoices that are outstanding and deemed to be non-collectable including those that have been sent to the trust's debt collection agency.

Note 25.3 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
	£000
Allowances as at 1 Apr 2017 - as previously stated	**661**
Prior period adjustments	
Allowances as at 1 Apr 2017 - restated	**661**
Transfers by absorption	
Increase in provision	431
Amounts utilised	(266)
Unused amounts reversed	(87)
Allowances as at 31 Mar 2018	**739**

Note 25.4 Exposure to credit risk

The majority of the trust's revenue comes from contracts with other public sector bodies therefore the trust has low exposure to credit risk. The maximum exposures as at 31 March 2019 are in receivables from customers, as disclosed in the trade and other receivables note.

Note 26 Other assets

The trust has no other assets that require disclosure within this note.

Note 27 Liabilities in disposal groups

The trust has no liabilities in disposal groups that require disclosure within this note.

Note 28.1 Cash and cash equivalents movements

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

	2018/19	2017/18
	£000	£000
At 1 April	**1,700**	**5,682**
Net change in year	-	(3,982)
At 31 March	**1,700**	**1,700**
Broken down into:		
Cash at commercial banks and in hand	30	30
Cash with the Government Banking Service	1,670	1,670
Deposits with the National Loan Fund	-	-
Other current investments	-	-
Total cash and cash equivalents as in SoFP	**1,700**	**1,700**
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	**1,700**	**1,700**

Note 28.2 Third party assets held by the trust

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

	31 March 2019	31 March 2018
	£000	£000
Bank balances	6	4
Monies on deposit	-	-
Total third party assets	**6**	**4**

Note 29 Trade and other payables

	31 March 2019 £000	31 March 2018 £000
Current		
Trade payables	8,003	7,443
Capital payables	4,298	6,422
Accruals	11,925	11,050
Receipts in advance (including payments on account)	1	8
Social security costs	-	-
VAT payables	-	-
Other taxes payable	1	77
PDC dividend payable	-	-
Accrued interest on loans*		90
Other payables	85	3,093
Total current trade and other payables	**24,313**	**28,183**
Non-current		
Trade payables	-	-
Capital payables	-	-
Accruals	-	-
Receipts in advance (including payments on account)	-	-
VAT payables	-	-
Other taxes payable	-	-
Other payables	-	-
Total non-current trade and other payables	**-**	**-**
Of which payables from NHS and DHSC group bodies:		
Current	2,400	2,369
Non-current	-	-

*Following adoption of IFRS 9 on 1 April 2018, loans are measured at amortised cost. Any accrued interest is now included in the carrying value of the loan within note . IFRS 9 is applied without restatement therefore comparatives have not been restated.

'Other payables' include outstanding pension contributions £6k (2017/18: £3,014k).

Note 30 Other financial liabilities

The trust has no other financial liabilities that require disclosure within this note.

Note 31 Other liabilities

	31 March 2019 £000	31 March 2018 £000
Current		
Deferred income: contract liabilities	1,265	1,166
Deferred grants	-	-
Lease incentives	-	-
Other deferred income	-	
Total other current liabilities	**1,265**	**1,166**
Non-current		
Deferred income: contract liabilities	-	-
Deferred grants	-	-
Lease incentives	-	-
Other deferred income	-	-
Net pension scheme liability	-	-
Total other non-current liabilities	**-**	**-**

Note 32 Borrowings

	31 March 2019 £000	31 March 2018 £000
Current		
Bank overdrafts	-	-
Drawdown in committed facility	-	-
Loans from the Department of Health and Social Care*	20,840	15,200
Other loans	-	-
Obligations under finance leases	-	-
Total current borrowings	**20,840**	**15,200**
Non-current		
Loans from the Department of Health and Social Care	41,655	24,209
Other loans	-	-
Obligations under finance leases	-	-
Total non-current borrowings	**41,655**	**24,209**

*Following adoption of IFRS 9 on 1 April 2018, loans are measured at amortised cost. Any accrued interest is now included in the carrying value of the loan within note . IFRS 9 is applied without restatement therefore comparatives have not been restated.

Note 32.1 Reconciliation of liabilities arising from financing activities

	Loans from DHSC	Other loans	Finance leases	Total
	£000	£000	£000	£000
Carrying value at 1 April 2018	**39,409**	**-**	**-**	**39,409**
Cash movements:				
Financing cash flows - payments and receipts of principal	22,950	-	-	**22,950**
Financing cash flows - payments of interest	(634)	-	-	**(634)**
Non-cash movements:				
Impact of implementing IFRS 9 on 1 April 2018	90	-	-	**90**
Transfers by absorption	-	-	-	**-**
Additions	-	-	-	**-**
Application of effective interest rate	680	-	-	**680**
Change in effective interest rate	-	-	-	**-**
Changes in fair value	-	-	-	**-**
Other changes	-	-	-	**-**
Carrying value at 31 March 2019	**62,495**	**-**	**-**	**62,495**

Note 33 Finance leases

The Shrewsbury and Telford Hospital NHS Trust have no finance leases where the trust is the lesser or lessor.

Note 34.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits*	Legal claims	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2018	**43**	**239**	**149**	**260**	**691**
Transfers by absorption	-	-	-	-	**-**
Change in the discount rate	-	2	-	-	**2**
Arising during the year	41	6	109	266	**422**
Utilised during the year	(42)	(65)	(85)	(240)	**(432)**
Reclassified to liabilities held in disposal groups	-	-	-	-	**-**
Reversed unused	-	-	(22)	-	**(22)**
Unwinding of discount	-	33	-	-	**33**
At 31 March 2019	**42**	**215**	**151**	**286**	**694**
Expected timing of cash flows:					
- not later than one year;	42	67	151	286	**546**
- later than one year and not later than five years;	-	64	-	-	**64**
- later than five years.	-	84	-	-	**84**
Total	**42**	**215**	**151**	**286**	**694**

Early departure costs relate to a provision for future payments payable to the NHS Pensions Agency in respect of former employees who took early retirement.

Legal claims relate to NHS Resolution non clinical cases with employees and members of the general public.

'Other' provision relates to the CRC scheme.

* In 2018/19 the analysis of provisions has been revised to separately identify provisions for injury benefit liabilities. In previous periods, these provisions were included within 'Other' provisions.

Note 34.2 Clinical negligence liabilities

At 31 March 2019, £343,644k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Shrewsbury and Telford Hospital NHS Trust (31 March 2018: £286,307k).

Note 35 Contingent assets and liabilities

	31 March 2019 £000	31 March 2018 £000
Value of contingent liabilities		
NHS Resolution legal claims	(73)	(91)
Employment tribunal and other employee related litigation	-	-
Redundancy	-	-
Other	-	-
Gross value of contingent liabilities	**(73)**	**(91)**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**(73)**	**(91)**
Net value of contingent assets	**-**	**-**

The contingent liabilities represent the difference between the expected values of provisions for legal claims carried at note 34 and the maximum potential liability that could arise from these claims.

The trust is subject to investigation regarding Health and Safety offence and may face a financial penalty as a result. The outcome and value of the potential fine is not yet known.

Note 36 Contractual capital commitments

	31 March 2019 £000	31 March 2018 £000
Property, plant and equipment	108	71
Intangible assets	-	-
Total	**108**	**71**

Note 37 Other financial commitments

The trust is not committed to making any payments under non-cancellable contracts which are not leases, PFI contracts or other service concession arrangements.

Note 38 Defined benefit pension schemes

The trust has no defined benefit pension schemes.

Note 39 Financial instruments

Note 39.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Trust has with commissioners and the way those commissioners are financed, the trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the trust in undertaking its activities.

The trust's treasury management operations are carried out by the finance department, within parameters defined formally within the trust's standing financial instructions and policies agreed by the board of directors. The trust's treasury activity is subject to review by the trust's internal auditors.

Currency risk

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

Interest rate risk

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

The trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health and Social Care (the lender) at the point borrowing is undertaken.

The trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the trust's revenue comes from contracts with other public sector bodies, the trust has low exposure to credit risk. The maximum exposures as at 31 March 2019 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

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

Note 39.2 Carrying values of financial assets

IFRS 9 Financial Instruments is applied restrospectively 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 analysis.

	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
Carrying values of financial assets as at 31 March 2019 under IFRS 9	**£000**	**£000**	**£000**	**£000**
Trade and other receivables excluding non financial assets	15,542	-	-	**15,542**
Other investments / financial assets	-	-	-	**-**
Cash and cash equivalents at bank and in hand	1,700	-	-	**1,700**
Total at 31 March 2019	**17,242**	**-**	**-**	**17,242**

	Loans and receivables	Assets at fair value through the I&E	Held to maturity	Available-for-sale	Total book value
Carrying values of financial assets as at 31 March 2018 under IAS 39	**£000**	**£000**	**£000**	**£000**	**£000**
Trade and other receivables excluding non financial assets	18,710	-	-	-	**18,710**
Other investments / financial assets	-	-	-	-	**-**
Cash and cash equivalents at bank and in hand	1,700	-	-	-	**1,700**
Total at 31 March 2018	**20,410**	**-**	**-**	**-**	**20,410**

Note 39.3 Carrying value of financial liabilities

IFRS 9 Financial Instruments is applied restrospectively 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 analysis.

	Held at amortised cost	Held at fair value through the I&E	Total book value
	£000	**£000**	**£000**
Carrying values of financial liabilities as at 31 March 2019 under IFRS 9			
Loans from the Department of Health and Social Care	62,495	-	**62,495**
Obligations under finance leases	-	-	**-**
Other borrowings	-	-	**-**
Trade and other payables excluding non financial liabilities	24,310	-	**24,310**
Other financial liabilities	-	-	**-**
Provisions under contract	151	-	**151**
Total at 31 March 2019	**86,956**	**-**	**86,956**

	Other financial liabilities	Held at fair value through the I&E	Total book value
	£000	**£000**	**£000**
Carrying values of financial liabilities as at 31 March 2018 under IAS 39			
Loans from the Department of Health and Social Care	39,409	-	**39,409**
Obligations under finance leases	-	-	**-**
Other borrowings	-	-	**-**
Trade and other payables excluding non financial liabilities	28,176	-	**28,176**
Other financial liabilities	-	-	**-**
Provisions under contract	149	-	**149**
Total at 31 March 2018	**67,734**	**-**	**67,734**

Note 39.4 Fair values of financial assets and liabilities

The book value (carrying value) is a reasonable approximation of fair value for the Trust's financial assets and liabilities.

Note 39.5 Maturity of financial liabilities

	31 March 2019	31 March 2018
	£000	**£000**
In one year or less	45,301	43,525
In more than one year but not more than two years	18,705	3,690
In more than two years but not more than five years	22,950	20,519
In more than five years	-	-
Total	**86,956**	**67,734**

Note 40 Losses and special payments

	2018/19		2017/18	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	8	7	-	-
Fruitless payments	-	-	-	-
Bad debts and claims abandoned	346	353	565	264
Stores losses and damage to property	16	198	27	152
Total losses	**370**	**558**	**592**	**416**
Special payments				
Compensation under court order or legally binding arbitration award	2	10	1	460
Extra-contractual payments	-	-	-	-
Ex-gratia payments	71	209	53	151
Special severence payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	**73**	**219**	**54**	**611**
Total losses and special payments	**443**	**777**	**646**	**1,027**
Compensation payments received		-		-

Details of cases individually over £300k:

A falls claim from HSE for £460k was accrued in 2017/18 to 'Compensation under court order or legally binding arbitration award.

£85k of the ex-gratia payments are included in legal claims in Note 34 Provisions for liabilities and charges analysis rather than Note 7.1 Operating expenses.

Note 41 Gifts

The total value of gifts did not exceed £300,000 so no further disclosure is required.

Note 42.1 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 £90k, and trade payables correspondingly reduced.

Reassessment of allowances for credit losses under the expected loss model resulted in no increase/decrease in the carrying value of receivables.

The GAM expands the definition of a contract in the context of financial instruments to include legislation and regulations, except where this gives rise to a tax. Implementation of this adaptation on 1 April 2018 has led to the classification of receivables relating to Injury Cost Recovery as a financial asset measured at amortised cost. The carrying value of these receivables at 1 April 2018 was £1,370k. The trust did not previously adjust ICR receivables out of the financial asset note therefore no adjustment is required.

Note 42.2 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). This standard has had minimal impact on the trust.

Note 43 Related parties

The Department of Health and Social Care is regarded as the parent department. The main entities within the public sector that the trust has had dealings with during the year are:
NHS Shropshire CCG
NHS Telford and Wrekin CCG
NHS South East Staffs And Seisdon Peninsular CCG
NHS Stafford And Surrounds CCG
NHS England
Health Education England
NHS Resolution
The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS FT
Mid Cheshire Hospitals NHS FT
Shropshire Community Health NHS Trust
The Royal Wolverhampton NHS Trust
Powys Local Health Board
Betsi Cadwaladr University Local Health Board
Cwm Taf Local Health Board
NHS Improvement
NHS Pension Scheme
NHS Blood and Transplant
HM Revenue and Customs

The trust is linked to the Shrewsbury and Telford Hospital NHS Charity. The Annual Report and Accounts for the Shrewsbury and Telford Hospital NHS Charity are submitted separately to the Charity Commission and are not consolidated into the trust's Accounts.

The trust is also linked to Royal Shrewsbury Hospital League of Friends, Friends of Princess Royal Hospital and Lingen Davies Cancer Fund who donate various pieces of medical equipment to the trust.

Note 44 Transfers by absorption
There were no transfers by absorption in the year where the trust has been either the receiving or divesting party.

Note 45 Prior period adjustments

The trust has made no prior period adjustments where comparative information has been restated due to either a change in accounting policy or material prior period error.

Note 46 Events after the reporting date
There are no events after the reporting date that require disclosure within this note.

Note 47 Better Payment Practice code

	2018/19 Number	2018/19 £000	2017/18 Number	2017/18 £000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	116,217	138,737	109,064	132,940
Total non-NHS trade invoices paid within target	37,998	55,134	35,467	50,195
Percentage of non-NHS trade invoices paid within target	**32.7%**	**39.7%**	**32.5%**	**37.8%**
NHS Payables				
Total NHS trade invoices paid in the year	2,993	8,729	2,732	7,446
Total NHS trade invoices paid within target	2,433	7,234	2,340	5,763
Percentage of NHS trade invoices paid within target	**81.3%**	**82.9%**	**85.7%**	**77.4%**

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

Note 48 External financing

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

	2018/19 £000	2017/18 £000
Cash flow financing	**27,024**	**20,650**
Finance leases taken out in year	-	-
Other capital receipts	-	-
External financing requirement	**27,024**	**20,650**
External financing limit (EFL)	27,024	20,650
Under / (over) spend against EFL	**0**	**0**

Note 49 Capital Resource Limit

	2018/19 £000	2017/18 £000
Gross capital expenditure	15,120	12,852
Less: Disposals	(127)	(184)
Less: Donated and granted capital additions	(977)	(1,016)
Plus: Loss on disposal from capital grants in kind	-	-
Charge against Capital Resource Limit	**14,016**	**11,652**
Capital Resource Limit	15,166	12,830
Under / (over) spend against CRL	**1,150**	**1,178**

The underspend mainly results from the trust's cash position not enabling it to invest in capital expenditure relating to internally generated capital from donated asset depreciation.

Note 50 Breakeven duty financial performance

	2018/19 £000
Adjusted financial performance surplus / (deficit) - control total basis	(18,743)
Remove impairments scoring to Departmental Expenditure Limit	-
Add back non-cash element of On-SoFP pension scheme charges	-
IFRIC 12 breakeven adjustment	-
Breakeven duty financial performance surplus / (deficit)	**(18,743)**

Note 51 Breakeven duty rolling assessment

	1997/98 to 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		712	26	59	81	65	(12,130)	(14,649)	(5,631)	(17,400)	(18,743)
Breakeven duty cumulative position	(22,891)	(22,179)	(22,153)	(22,094)	(22,013)	(21,948)	(34,078)	(48,727)	(54,358)	(71,758)	(90,501)
Operating income		262,882	277,980	299,850	309,362	314,106	316,794	326,477	350,244	359,041	369,186
Cumulative breakeven position as a percentage of operating income		(8.4%)	(8.0%)	(7.4%)	(7.1%)	(7.0%)	(10.8%)	(14.9%)	(15.5%)	(20.0%)	(24.5%)

This document fulfils the Annual Reporting requirements for NHS Trusts. It is presented in accordance with the Department of Health Group Manual for Accounts 2017/18.

We publish a shorter Annual Review as a companion document for patients, communities and partner organisations.

Further copies of this document and our Annual Review are available from our website at www.sath.nhs.uk, by email to sath.communications@nhs.net or by writing to:

Chief Executive's Office, The Shrewsbury and Telford Hospital NHS Trust, Princess Royal Hospital, Grainger Drive, Apley Castle, Telford TF1 6TF

Or

Chief Executive's Office, The Shrewsbury and Telford Hospital NHS Trust, Royal Shrewsbury Hospital, Mytton Oak Road, Shrewsbury, SY3 8XQ

This document is available on request in other formats, including large print and translation into other languages for people in Shropshire, Telford & Wrekin and mid Wales. Please contact us at the address above or email sath.communications@nhs.net

Please contact us if you have suggestions for improving our Annual Report.

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