NHS

Shropshire Community Health NHS Trust

Annual Report and Accounts 2018/19

Shropshire Community Health NHS Trust

Annual Report and Accounts 2018/19

Presented in accordance with the NHS Group Accounting Manual 2018/19
pursuant to the Companies Act 2006

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About this document

This document fulfils the Annual Reporting requirements for NHS trusts.

Copies of this document are available from our website at www.shropscommunityhealth.nhs.uk, by email to shropcom.communications@nhs.net, or in writing from: Chief Executive's Office, Shropshire Community Health NHS Trust, William Farr House, Mytton Oak Road, Shrewsbury, SY3 8XL.

If you would like this report in a different format, such as large print, or need it in a different language, please contact our Patient Advice and Liaison Service who can arrange that on 0800 032 1107 or email shropcom.customerservices@nhs.net.

Foreword

Welcome from the Chair

It is my great pleasure to welcome you to our Annual Report and Accounts for 2018/19.

This document will give you an overview of what we do, how well we have done and the challenges we face going forward, as well as a more detailed analysis of our activities and accounts if you would like to take a look at things in a bit more detail. Most of this information can also be found on our website at **www.shropscommunityhealth.nhs.uk** .

I have only recently taken up the reins as Chair of the Trust, so I must start by paying tribute to my predecessor, Mike Ridley, who has filled this role with distinction since the formation of the Trust in 2011.

His retirement, following his 70th birthday, was fitting in the year that the NHS also celebrated its own 70th anniversary. Mike has left big shoes to fill, and I will do my best to continue the good work he has produced so continuously over many years.

I am not new to the organisation, having already served as a Non-Executive Director for a number of years. In that capacity, I have been able to see at close hand the exceptional work our people do to help keep people well and living healthy, happy lives.

This last year has been a busy one for all of us within the local health system as we face up to some significant challenges about how we ensure the services we deliver are fit for our changing populations.

I feel we have been able to meet those challenges head on, and I am particularly proud of the way we have worked so well with our partners to deliver ever more integrated services that deliver the best possible experience and outcomes for our patients and service users.

There are some very exciting opportunities that are facing the Trust and I am fortunate to be working with talented and experienced colleagues on the Board. Together with our brilliant, skilled and committed staff, I am confident that we will continue to provide excellent care for our community.

I want to thank every member of Team Shropcom for their contribution over the past 12 months – and that includes our growing army of outstanding volunteers, without whom we would be so much poorer.

I hope you enjoy this Annual Report and Accounts and I look forward to your continued support in 2018/19.

Thank you,

Nuala O'Kane, Chair

Performance Report

Performance Overview

The first section of the Annual Report and Accounts provides an overview of our performance over the last 12 months.

This is a brief summary of who we are, what we do and how we have performed against our objectives during the year. There is a more detailed analysis of our performance later in the report.

Chief Executive's Review of the Year

As I reflect on the past 12 months, I look back with pride on everything we have achieved – and excitement for what the future holds.

These are changing times in our NHS, with a real focus across the country on integrating services for the benefit of our patients and service users. Here at Shropshire Community Health, I feel we are ahead of the curve as this has been our direction of travel for some time.

We really believe in the power of joined-up working, and are eager to keep leading the way within the local health system.

We are playing a leading role, for example, in the Shropshire Care Closer To Home programme – which is led by our commissioners from Shropshire CCG and is focussed on keeping people well and able to access care as close to home as possible.

It's been a busy year, not least because we had inspectors from the Care Quality Commission (CQC) with us for some time carrying out their latest inspection.

At the time of writing, we are still waiting for their report to be published. We do not know what it will say at this stage, but I am confident it will reflect the huge strides we have taken since our last inspection three years ago.

The inspectors visited all of our services over a period of several weeks, and wherever they went the common theme we heard was that the welcome had been so warm and the culture so open and transparent.

The feedback we have already received has been encouraging and reflects an organisation that is in a good place in so many ways. I hope that is reflected in the report and our final rating. Our staff deserve no less.

We have had to be resilient and creative this year in bidding for a number of competitive tenders.

Performance Report

Performance Overview

Some of the contracts we have been successful in winning include:

- **Shropshire Public Health Nurses** - the 0-19 service for children and young people in the county
- **GP-Led Out-of-hours service** – being delivered in a new delivery partnership with Shropdoc
- **Stoke Heath Integrated Care** – a partnership with North Staffordshire Combined Healthcare NHS Trust (NSCHT) and The Forward Trust to take care of the health needs of all prisoners at Stoke Heath Prison, near Market Drayton.

We also continue to look for opportunities to embed new technology wherever possible. Our Electronic Patient Record is really coming into its own, helping our community teams to work more flexibly, share important information about information about patients with other professionals more easily, provide us with more information to help us learn, and make appointments easy to organise.

Overall, it has been another good year. We can look back with pride on the work we have done and the success we have had in achieving our performance, quality and financial targets. We are always looking to improve and we will keep seeking opportunities to develop further over the year ahead.

I must thank all of our communities that we serve, our partners, our stakeholders, and most of all our staff – who work tirelessly to care for our patients and carers, often in very challenging. They make Shropcom the special place it is.

A very big thank you to all of those who have contributed to the work we've done this year.

Thank you,

Jan Ditheridge
Chief Executive

Performance Report: Performance Overview

Our Vision and Values

Our Vision and Values set out our ambitions and the core set of behaviours and beliefs that guide us in what we say and do.

These were developed following a lot of work with our staff and stakeholders to make sure we got them right, and we have continued to work together to embed them into our everyday work and develop a shared culture.

Our Vision:

We will work closely with our health and social care partners to give patients more control over their own care and find necessary treatments more readily available.

We will support people with multiple health conditions, not just single diseases, and deliver care as locally and conveniently as possible for our patients.

We will develop our current and future workforce and introduce innovative ways to use technology.'

Our Values:

Improving Lives
We make things happen to improve people's lives in our communities.

Everyone Counts
We make sure no-one feels excluded or left behind - patients, carers, staff and the whole community.

Commitment to Quality
We all strive for excellence and getting it right for patients, carers and staff every time.

Working Together for Patients
Patients come first. We work and communicate closely with other teams, services and organisations to make that a reality.

Compassionate Care
We put compassionate care at the heart of everything we do.

Respect and Dignity
We see the person every time - respecting their values, aspirations and commitments in life – for patients, carers and staff.

Performance Report: Performance Overview

Introducing Shropcom

Shropshire Community Health NHS Trust provides community-based health services for adults and children in Shropshire, Telford and Wrekin, and some services in surrounding areas too.

We specialise in supporting people's health needs at home and through outpatient and inpatient care.

Our focus is on prevention and keeping people out of crisis so that they can receive the care and support they need at, or as close to home as possible.

NHS community services may not always be as visible to the public as the larger acute hospitals, but they play a vital role in supporting very many people who live with ongoing health problems. This is especially important in a large area such as ours, with increasing numbers of elderly people and others, including children and young people, with long-term health conditions.

We have about 717,000 community contacts each year, the vast majority of which are with people in their homes, in community centres and clinics. A very small number of people also receive inpatient care in our community hospitals.

Good community health services prevent the need for some patients to be admitted to hospital, including those with chronic conditions such as diabetes, asthma, chest disease, arthritis, hypertension, osteoporosis and stroke. People have told us that we should help patients manage their own condition and stay healthy enough not to have to spend time in hospital, unless they really need to. This is especially important as we continue to care for an ageing population. We also have community teams that specifically work with patients who need additional or short-term care and support to help them return home from hospital as quickly as possible, or to avoid being admitted in the first place.

Our Executive Team has led extensive work to engage with patients, staff and stakeholders in refining our Values, Vision and Goals. This has been a key part of the overall strategic work to shape our services now and for the future, and

also working alongside our health and social care partners to deliver a co-ordinated approach to delivering services. Everything we do is aimed towards ***Improving Lives in Our Communities***.

Key Facts:

- **Organisation formed in 2011**
- **Serve a population of 471,000**
- **Employ circa 1,600 people**
- **We had 717,374 community contacts in 2018/19**
- **Spent £78.8m delivering services**
- **Provide services from more than 100 sites across one of England's largest and sparsely populated counties.**

Performance Report: Performance Overview

Who we are and what we do

The Trust was established in 1 July 2011 by the Secretary of State for Health under the provisions of the National Health Service Act 2006.

We provide a wide range of community health services to about 471,000 adults and children in their own homes, local clinics, health centres, GP surgeries, schools and our community hospitals in Bishop's Castle, Bridgnorth, Ludlow and Whitchurch.

We realise that it can be confusing to know who is who in the ever-changing world of the National Health Service (NHS), so it may be helpful to explain the various local NHS bodies and where we fit.

Within the county of Shropshire there are two Clinical Commissioning Groups (CCGs) – Shropshire CCG and Telford & Wrekin CCG. These organisations are responsible for buying (commissioning) a wide range of health services for their patients. As a provider of community NHS services we receive the majority of our income from these commissioners, among others. In 2018/19 our total income for the year was £81 million. You can find out more about how we get and spend our money in the Directors Report and Annual Accounts.

The CCGs buy services from organisations that deliver care to patients – often referred to as "providers". These are generally either acute services (main hospital services) or community services such as community nursing, children and young people's services and community hospitals. They work with a range of partners including other NHS organisations, the local authorities, patient and service user groups and the voluntary sector.

We provide community services across the county, as well as neighbouring areas such as our School Nursing Service in Dudley, and work closely with the other providers (The Shrewsbury and Telford Hospital NHS Trust, The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust and South Staffordshire and Shropshire Healthcare NHS Foundation Trust) and many other organisations to care for the population of Shropshire.

While our services are varied, many of them deliver care and treatment for children and adults, including frail elderly people, who live with long-term illnesses or disabilities and want to maintain as normal a life as possible at home. We are committed to helping them maintain independence and a good quality of life. Services such as our community respiratory team, specialist diabetes nursing service, continence service, and community paediatric nurses are just some of the teams who deliver that.

We also provide palliative care to help people achieve the best quality of life towards the end of their life.

Performance Report: Performance Overview

Our Services

The services we deliver can be broken down into three main areas, as illustrated in the tables below.

We have two Service Delivery Groups (SDGs) managing the clinical services that provide direct care and support for our patients - one for Adults and one for Children and Families. Then, wrapped around our frontline staff, we have a range of corporate and support services.

Adult SDG

- Community Hospitals
- Minor Injury Units
- Integrated Community Services
- Inter-Disciplinary Teams
- Long-Term Conditions & Frail Elderly
- Diabetes
- Tissue Viability
- Continence Services
- Shropshire Wheelchair Service
- Rheumatology
- Physiotherapy
- Podiatry
- Advanced Primary Care Services
- Prison Healthcare
- Diagnostics, Assessment and Access to Rehabilitation and Treatment (DAART)

Children and Families SDG

- Health Visitors
- Children's Therapy Services
- Community Children's Nurses
- School Nurses
- Family Nurse Partnership
- Child Development Centres
- Safeguarding
- New Born Hearing Screening
- Child Health and Audiology
- Community Paediatrics
- Immunisation and Vaccination
- Dental Services

Corporate/Support Services

- Finance
- Workforce/HR
- Organisational Development
- IT and Informatics
- Hotel Services
- Administration Support
- Business Development
- Performance
- Complaints and PALS
- Emergency Planning
- Patient Experience and Involvement
- Assurance (non-clinical)
- Quality
- Communications and Marketing

You can find out more about our full range of services on our website at www.shropscommunityhealth.nhs.uk

Performance Report: Performance Overview

How we are funded and how we spend our money

This section provides a very brief overview of how our finances are managed. You can find out more about our finances in the Remuneration Report and the Annual Accounts.

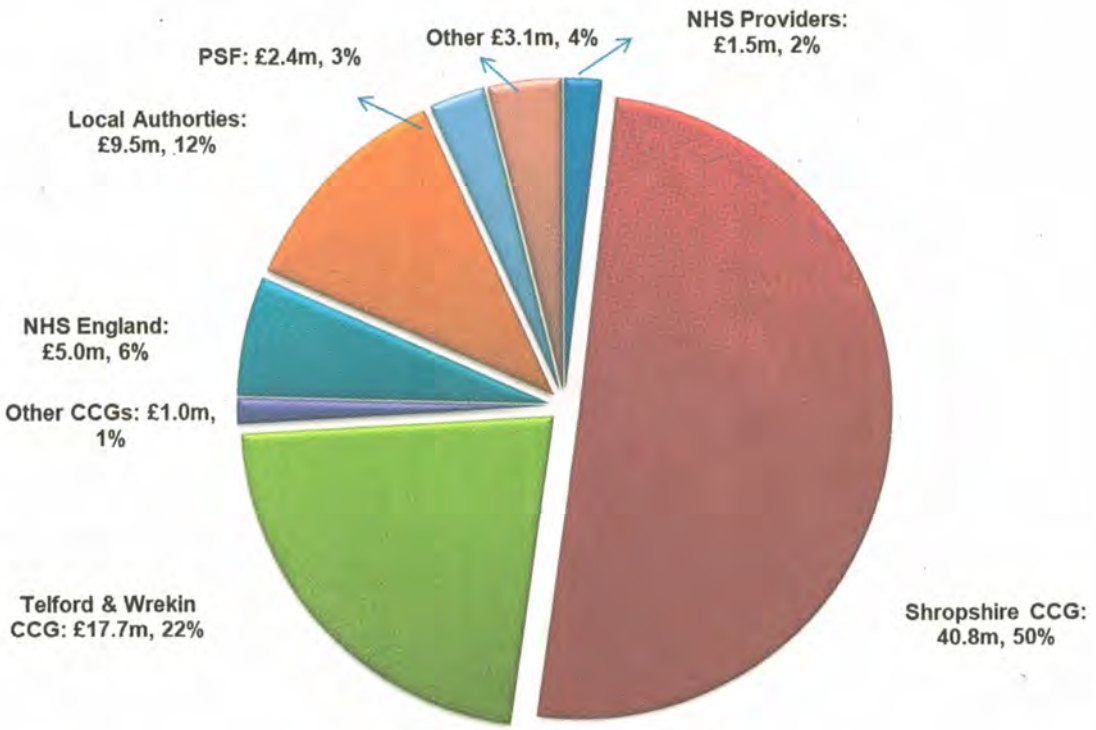
As a provider of community NHS services we receive the majority of our income from NHS commissioners (e.g. Clinical Commissioning Groups or CCGs in England and Local Health Boards in Wales) and a significant proportion from Local Authorities.

These commissioners purchase NHS care services from us for all age groups within the population they serve. This includes service such as district nursing, health visiting, rehabilitation, inpatient care at our community hospitals, outpatient appointments and home visits. We work closely with other Health and Care providers, such as the acute hospitals where our staff support discharge and ongoing care and with local authorities through our integrated health and social care teams.

For the 2018/19 year the Trust's total income was £81 million.

The majority of our income came from our two main commissioners – Shropshire County CCG and Telford & Wrekin CCG – with additional funding coming from other organisations, such as NHS England who carry out specialist commissioning or local authorities for whom we provide services, such as the School Nursing Service.

The chart below shows where we get our money from:



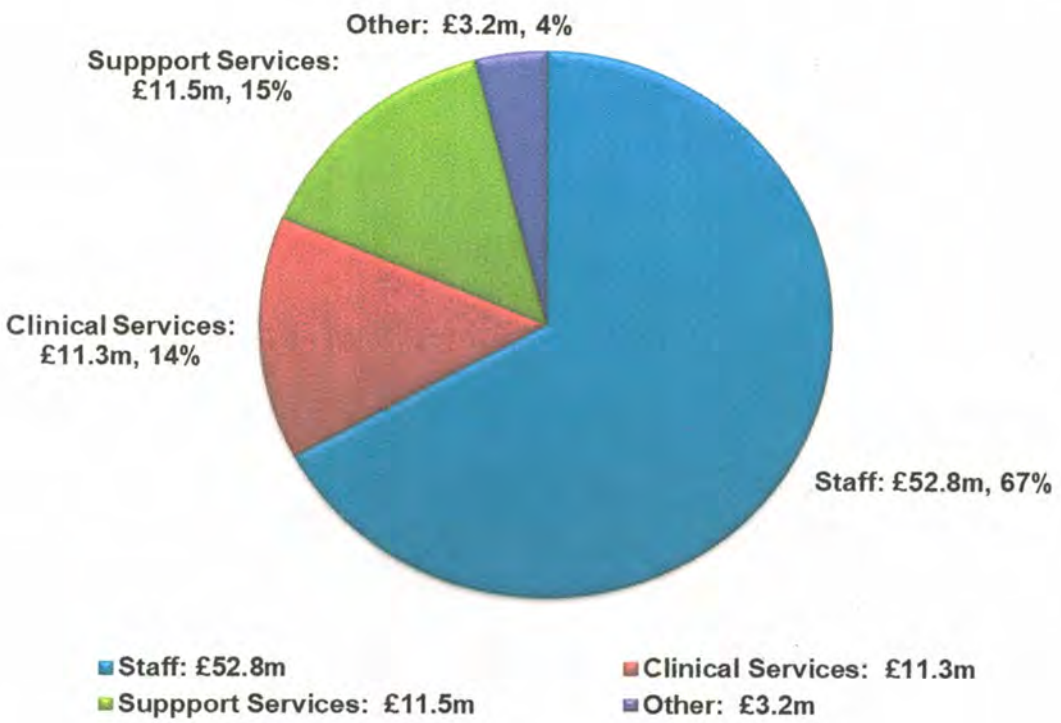
The income we receive is used to fund the services we provide the most significant element of which is to pay our staff. In 2018/19 we spent about £78.8 million delivering services.

Performance Report: Performance Overview

Overall spend has been summarised into four main areas below:

- **Our Staff** – this includes those who provide direct care (e.g. doctors, dentists, nurses, therapists, health visitors and healthcare assistants) as well as those people providing essential support and back office functions (e.g. catering, cleaning, admin, technical, HR and finance).
- **Support Services** – this refers to supporting services such as postage, telephones and staff training; non-clinical supplies (e.g. uniforms, linen, food and transport), and accommodation (e.g. rent, rates, water, gas and electricity).
- **Clinical Supplies** – such as drugs and dressings that are directly related to providing health care.
- **Other** – other essential costs such as depreciation, finance charges and our contribution to NHS Resolution risk-pooling schemes, including the Clinical Negligence Scheme for Trusts (CNST).

The chart below illustrates how we use the money we are given to provide services:



2018/19 Financial Results

Overall, in 2018/19 the Trust achieved a retained surplus of £2,176,000.

All financial targets, including our statutory financial duty, have been met for the year.

A more detail review of our finances can be found in the Annual Accounts section of this report.

Performance Report: Performance Overview

2018/19: A Performance Summary

Once again we have had a challenging year, which has left us with plenty to celebrate and plenty to learn from and continue to improve.

We are an organisation with a strong track record of delivering against our key objectives and targets, and most significantly in the year just gone:

- We met our planned financial targets and finished the year by making a surplus, which saw us gaining additional national funding of £838,000.
- We have met the majority of our set national targets this year and also seen significant improvements in some of our local targets.
- We continued to strengthen our relationship with commissioners and other partners and are actively supporting strategic change across the local health and social care system.

Key Challenges, Issues and Risks

We face a range of challenges and risks when planning and delivering our services. Some of the key challenges, issues and risks we have faced in 2018/19 include:

Changing need for health services: 23% of the population in the Shropshire Council area is 65 years and older, which is higher than the England average (17.6%). Increasingly our patients are living with multiple long term conditions which in turn increases the complexity of their needs. Across the county, the health and the needs of our population are very different and we need to ensure that future service redesign considers these differences

Access to services: A largely rural Shropshire in contrast with a relatively urban Telford and Wrekin provides challenges to developing consistent, sustainable services with equity of access. There remains the need to reduce inequalities between patients in access to, and outcomes from healthcare services and to ensure services are provided in an integrated way where this might reduce health inequalities.

Workforce: National challenges are impacting on many NHS providers. In addition, workforce challenges for this Trust are similar to other Trust's in rural counties where we experience difficulties in recruitment and retention due to the geographical location and spread of our services. Availability of a suitable substantive workforce is an issue. This has resulted in high use of agency staff in some areas, and potentially less continuity of care. This is not ideal and impacts on service delivery as well as having a financial impact.

Finances: The local health economy system is facing significant financial pressure. To alleviate this pressure we are set some demanding financial targets to meet. We need to ensure that we continue to deliver services efficiently as possible, enabling reinvestment in patient care.

Our estate: The Trust holds a diverse estate portfolio made up of both operational and non-operational buildings, which is spread over a wide geographical area. Some of it is also old or poorly positioned. This also requires a lot of resources to ensure our facilities are fit-for-purpose and meet statutory and mandatory obligations.

There is an increasing need to ensure that our buildings are secure from unauthorised intrusion or terrorism. We continue to work with relevant experts to design security into new buildings and, over time to review both critical buildings and others to minimise the identified risks.

Use of Technology – As services develop and transform there is a greater emphasis on the use of technology in order for patients to receive optimum care. The Trust needs to keep pace with technology used by partners and the wider health and social care system not only so that the right information can be delivered at the right time to the right people, but supporting transformation change, such as mobile working, telehealth, patient wi-fi and shared care records.

Performance Report: Performance Overview

System-wide transformation: The Trust plays a key part in system-wide strategic planning. Sustainable community services are critical to support the delivery of the local system. Partnership working is key to implementing change through the Shropshire Sustainability and Transformation Plan.

System-wide transformation brings challenges if it should develop in such a way that could prevent the delivery of the Trust's long term clinical transformation strategy. The consequence of which could be that we would be unable to deliver care at a scale that can continue to deliver efficiencies

Our Board recognises the importance of effective risk management and our Board Assurance Framework details risks and controls related to all areas of quality and safety. Risk is discussed at every Board Meeting and also monitored down through the committees that report directly to the Board and through the services and teams throughout the organisation.

Performance and Managing Risk

Our Board is responsible for the corporate governance of the organisation by maintaining the quality and safety of care, setting the direction and standards, and ensuring that the necessary systems and processes are in place to deliver the objectives. The Trust's structures, systems and processes are key to ensuring that standards are upheld.

The Trust recognises the importance of effective risk management and our Board Assurance Framework (BAF) details risks and controls related to all areas of quality, safety and financial. A Corporate Risk Register is also held within the Trust for risks that are trust-wide but are not assessed as high enough to be on the BAF and are mainly operational risks that will be a contributory factor to the level of risk for entries on the BAF.

Risk is considered at every Board Meeting and also monitored down through the committees that report directly to the Board and through the services and teams throughout the organisation.

Performance is monitored to assure both our Board and also our commissioners and regulators that the services we are delivering are of high quality and meets the needs of our local population.

We monitor our performance against clear Key Performance Indicators (KPIs), which are aligned with workforce indicators, safer staffing metrics, patients and carer feedback, audit results, complaints and Patient and Advice Service (PALS) information and staff feedback.

The Trust has measures in place to address fraud, bribery and corruption, and security management issues. This includes the provision of Local Counter Fraud and Security Management Specialists.

Our Priorities

We are committed to continue to improve the quality of our services and to continue to work in partnership with colleagues from across the health and care economy to develop and embed new models of care. These commitments, and the challenges described above, have shaped our transformation programme and our Strategic Priorities. For 2017/18 and 2018/19 we identified the following priorities:

- Good and Beyond
- 5 Year Plan
- Optimising the use of technology

Priority: Good and Beyond

Embedding a Continuous Improvement Culture:

Over the last 12 months we have continued to build upon and strengthened our activities to support our aspiration to achieve 'Good' across our services against CQC regulatory and fundamental standards. These standards are set out under five headings; services must be Safe, Effective, Caring, Responsive and Well-Led.

In March 2016, our inspectors gave us a rating 'Requires Improvement'. We have worked hard since this inspection and, during January to March 2019 we have undergone a re-inspection.

We await publication of our ratings following this inspection.

Performance Report: Performance Overview

We have adapted our Quality report for the Trust Quality and Safety Committee. In addition to a range of quality reports provided to Committee, the integrated Quality Report is the key Quality report for Committee and Board. We adapted and strengthened content and layout of this report to ensure it is fit for purpose for Trust Committee to gain assurance and reassurance and to be informed of any new key risks and associated mitigation.

The report is therefore key in providing the Committee with a structured approach to the flow of quantitative and softer qualitative intelligence from "floor" to Board as a measure of how we are performing in how we deliver Safe, Effective, Caring, Responsive

We have established a new 'Clinical Education Group' to build upon, strengthen and standardise our governance arrangements for internally developed and delivered training programmes and associated clinical competencies. We have focussed on medicines management, End of Life care and early recognition and response where a patient may be experiencing Sepsis (significant infection) or who may be clinical deteriorating; both situations would require assessment and intervention in an acute hospital.

A positive culture of learning and improvement and, a collective commitment to the quality and safety of clinical services is a crucial determinant to patient outcomes and experience of care. We continue to support our resilience and ability to continually adapt to the changes needed in our pursuit to deliver outstanding quality services and continually work to understand , support and strengthen the "Cultural Ingredients" required to achieve this.

Priority: Building our 5 Year Plan

Redesigning Young Peoples Services:

The model for the 0-19 service for Telford and the Wrekin is an innovative one that has inspired the service and continues our ethos of putting the child at the centre of everything we do.

A specific quality focus for the Service Delivery Group last year was to evaluate and improve service provision for Young People requiring transition.

Transitions from children's to adult services can be a difficult time for young people and their families. For children with complex needs, it may result in a number of specialists being involved in a system approach rather than a holistic approach. Empowering the young person towards independence is critical for long term health and wellbeing.

The benefits following the roll out and fine tuning of the electronic patient record "RiO" are now evident within the services. It has augmented joint working with shared records, enhancing the holistic approach to care delivery.

Performance Report: Performance Overview

Designing Local Integrated Neighbourhood care models:

Designing services that meet the needs of local communities is one of the key principles that is continuing to drive service transformation. We recongise the need to work differently with our partners to develop new models of care that will meet the changing needs of our communities. Future service models will be needs based and centred around GP practices and community facilities

During the last 12 months we have been continuously working closely with commissioners and other health and care providers in Shropshire, bringing together clinical teams across primary care and secondary care. These new integrated models will enable us all to make the best use of resource and in turn will enhance services for our patients and provide strong professional links for our staff. We have made significant progress to align our nursing and therapy teams into local community teams centred around GP 'clusters' and community localities.

Shropshire CCG refreshed its Care Closer to Home Programme in early 2018 which saw the programme being progressed in three phases:

1. Frailty Intervention Team
2. Case Management
3. Hospital at Home

The Case Management Model in Phase 2 has been a significant focus for the Trust in 2018/19. This involves our community-based NHS workforce working closely with Social Care and GP practices across Shropshire to get a clear understanding of how many people over the age of 65 have complex care needs.

Work has also been progressing with Telford CCG to develop Telford Integrated Neighbourhood Schemes. Community Nursing teams have been aligning themselves with the neighbourhoods and we are working with the CCG to strengthen governance processes to support partnership working to enable whole scale change across all of the Neighbourhoods.

Implement new GP Led Out of Hours Service and the Stoke Heath Integrated Care Prison Service:

Following the award of a contract, the Trust has implemented a new Integrated Urgent Care GP-Led Out of Hours service. The Trust took the lead on the contract, and commission our Delivery Partners, the Shropshire Doctors Co-operative (Shropdoc), to deliver a functionally integrated model with 111 access.

The Service went live on 1 October 2018, and since then the Trust and Shropdoc have been working in partnership to implement the new model and identify and evaluate the impact of the change. Both organisations are keen and committed to building on the success of the Integrated Urgent Care contract award.

Our Prison Healthcare Service has also undertaken a significant transformational change. In response to an NHS England tender, our teams, in partnership with North Staffordshire Combined NHS Trust and Forward Trust, have designed a new integrated model of care which has been mobilised prior to the new service going live from 1 April 2019.

The new service brings together the full range of service specialities required to manage the complex healthcare needs of those in the prison setting, such as Medical, Nursing, Mental Health and Substance Misuse Treatment services.

Developing new roles and innovative workforce solutions:

To support the health & wellbeing of our workforce we designed and delivered a corporate programme focused on our key causes of ill health in the workplace.

We listened to the organisation's feedback about our Occupational Health services and have created a Mental Health practitioner post to support our managers and staff deal with stress and anxiety issues more appropriately in the workplace.

We have delivered a range of leadership and development programmes including our internal 6 month Management and Leadership Programme, Insights into leadership programme, Neuro-Linguistic Programming and

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Human Factors training. We have supported post registration clinicians to enhance their skills and knowledge through our Learning Beyond Registration approach.

Working collaboratively with Operational and Quality leaders we developed and implemented the new role of Assistant Practitioner, in both apprentice and qualified forms, and our first cohort of Nurse Associate apprentices.

We have also increased our numbers of apprentices in clinical and non-clinical roles; meeting our Public Sector Apprenticeship Target and increasing our Apprentice Levy spend.

We have worked hard to refine and improve our approach to recruitment, to support our Operational colleagues to ensure the right staff are in the right place, with the right skills, at the right time. Taking on board our learning from previous cohorts we worked with Operational leaders to deliver a new and improved programme this year.

Delivering year-on-year efficiency requirements through productivity review:

Continuing the work to understand our demand, capacity and productivity, we have been able to increase our capacity to meet the growing demand in a constrained financial environment. As we share more detailed activity and cost information with our Commissioners, they have a greater understanding of how we are meeting the growing demand for our services, allowing for a more open approach to funding discussions.

Implementing our Estates Strategy to provide a range of optimal, fit for purpose accommodation and estate:

Our second largest spend after staff is our estate, which is necessary for the day-to-day operational and administrative functions. Our services operate from multiple locations across the county, which provide both operational and financial challenges in a large county.

Our Estates Strategy is an important part of managing our resources and takes into account our mandatory obligations, the existing challenges associated with managing multiple facilities across a large geographical area and the need to support new models of care supporting patients closer to home and in keeping patients in their own home and out of an acute setting.

The strategy outlines our aim to provide a range of optimal, fit-for-purpose accommodation and estate to support the operational and strategic delivery of all services.

It recognises that our estate and accommodation must align and directly support patient care and the business of the Trust and sets out to deliver an estate that enhances the day to day lives of all patients, carers, staff, stakeholders and our communities.

The strategy is a dynamic strategy that incorporates the agendas of the 10 Year Plan, Naylor, Carter and the Model Hospital while aligning with the Trusts Neighbourhood Plan and the ideal of Integrated Care Teams. During the year we have further progressed with implementation.

Priority: Implementing Electronic Patient Record

The continuing deployment and development of our RiO Electronic Patient Record (EPR) system represents a significant investment both in financial and other resources. The system is a key enabler to support revised delivery models including Care Closer to Home and Neighbourhoods service delivery model.

It plays an important part in supporting us to deliver safer, modern and high quality health services for the communities we serve, and will enable us to fulfil our obligations as part of the STP Digital Roadmap, in delivering a single clinical record at the point of care.

RiO will drive significant efficiencies in the future and simplify how we communicate and, importantly, how we share information with our partners and patients.

Our Information Management and Technology (IM&T) Strategy considers the emergence of both Telecare and Telehealth and how the Trust

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needs to deploy IT appropriate solutions over the next five years.

Many of our services are delivered in rural locations across the County. Being able to access to information, both clinical and non-clinical ensures that our staff have up to date and timely information. We have made significant investments in equipment and infrastructure to improve the connectivity that staff require.

In addition to the single clinical record at point of care, implementation of telecare and telehealth care also form part of the key enablers to support increasingly localised service delivery. In 2019/20 we will further explore options to enable the expansion of treatments in the community.

In 2018/19 we successfully worked with NHS Digital in the implementation of patient Wi-Fi services across the Trust. This has enabled patients to use their smart phones or other devices to go online and to keep in touch with friends and family whilst away from home.

Patient, Carers and Volunteers

Patient and Carer involvement is central to how we improve quality.

Our Patient and Carer Panel has in the last year been rebranded as the Patient & Carer Volunteer Group (PCVG). We have over 40 PCVG volunteers, and over 100 Community Hospital and League of Friends volunteers.

Volunteers and staff have co-produced two publications to assist with induction and mandatory training, as well as a checklist of information and tasks required.

Volunteers have taken a lead on designing, developing and delivering tools/and processes to be used by staff and volunteers. Volunteers also train staff in a number of patient feedback methods. Two of the Shropshire PCVG tools have been supported and highlighted nationally by NHS England. One of these is the Observe & Act tool, that is used by a number of Trusts in the West Midlands and a growing number of bodies further away, such as the Manchester Alliance.

Shropshire community Trust volunteers not only continue to be recognised and undertake joint patient experience work with NHS England, but have again recently received awards for the 'Volunteer Award of the year (won by Jan Thornhill) and the Observe & Act tool.

Volunteers continue to undertake activities with patients, with a particular focus on dementia at Whitchurch Hospital. We are hoping to roll more of this volunteer activity out this year.

Other new emerging and existing project work is around End of Life, Respiratory service and Community Neuro Rehabilitation Centre activities and representation.

Saving and Investing

Once again we were set some challenging financial targets to meet, especially given the scarcity of resources in the current economic climate. Despite this, we were able manage our finances effectively and finished the year with a retained surplus of £2,176,000.

We recognise that the clinical and financial sustainability of our organisation is intrinsically linked to the development of new models of care and our ability to deliver these models and work in partnership with our health and social care partners. This will continue to be the focus of our planning for 2018/19.

Performance Report: Performance Analysis

Our Performance

Monitoring our activity and performance against a range of indicators – including national, contractual and local targets – is an important part of ensuring we deliver high quality services.

The table on the right provides an indication of our overall activity during 2018/19.

Patient Activity Figures 2018/19	
Community contacts	717,374
Outpatient attendances	60,396
Inpatient and day cases	865
Inpatient Rehabilitation Episodes	2,088
Radiology examinations	9,866
Minor injuries attendances	30,272
Equipment and products supplied	280,386
Prison healthcare contacts	15,421

The vast majority of contact we have with people is in their own home or another community setting, while a very small number of people will require inpatient care and support in one of our Community Hospitals.

Safety Thermometer

The NHS Safety Thermometer is a tool that allows our nursing teams to measure four specific harms and the proportion of their patients that are free from all of these harms on one specific day each month. It acts as a temperature check and can be used in conjunction with other indicators such as incident reporting, staffing levels and patient feedback to indicate where a problem may occur in a clinical area.

The national target for the Safety Thermometer is that it demonstrates that more than 95% of patients are free from any of the four harms on the data collection day.

A summary of our performance against local and national targets

Performance Measurement within Shropshire Community Health NHS Trust includes external targets and additional internal targets that need to be achieved in order to deliver the overall objectives of the organisation. These targets are translated into key performance indicators which are allocated tolerances through a traffic light system (red, amber, green).

Where indicators are red, recovery plans are submitted and exceptions are reported to the Resource & Performance Committee and Trust Board. The principle of the performance management system is that delivery of targets and planning of improvements to meet targets is devolved to operational services. Recovery plans are agreed with specific tolerance levels, if progress is outside the agreed tolerance levels then an exception report is escalated to Resource & Performance committee.

We monitor our performance in line with the Single Oversight Framework and against a range of Key Performance Indicators (KPIs) aligned to the CQC domains - caring, responsive, effective, well led and safe. In subsequent pages of the Annual Report dashboards have been included to show our performance within these domains in relation to our targets, which are set internally, locally, contractually and nationally.

Performance Report: Performance Analysis

Caring Key Measures

5.1 Caring

Indicator	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Actual YTD	YTD Trend	YTD Target	YTD Status
New Birth Visits % within 14 days	89.44	88.50	89.80	89.33	89.72	92.74	91.18	88.62	87.43	87.37	91.30	84.94	?	?	↘	95.00	
Access to Healthcare for people with Learning Disability	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	→	100.00	
FFT - Community Positive Response*	93.23	98.58	97.39	96.77	96.26	97.65	97.18	97.79	98.80	99.20	98.67	97.34	94.42	97.50	↘	96.00	
FFT - Inpatient Scores % Positive Response	?	?	88.25%	86.54%	85.46%	79.27%	91.67%	93.62%	86.70%	90.59%	84.40%	93.02%	89.55%	89.55%	↘	96.00%	
FFT - Mental Health*	?	?	?	91.67 n/a	100.00 n/a	100.00 n/a	100.00 n/a	100.00 n/a	?	96.55 n/a	100.00 n/a	?	?	?	↗	?	n/a
FFT - MIU Scores % Positive Response	?	?	91.90	97.35	96.95	94.64	96.74	87.50	100.00	97.83	94.62	94.53	93.69	93.69	↘	95.00	
Single Sex Accomodation Breaches	0	0	0	0	0	0	0	0	0	0	0	0	0	0	→	0	
Staff FFT - Staff Satisfaction Score*	67.65	73.94	73.94	73.94	73.94	73.94	74.00	74.00	74.00	74.00	74.00	74.00	73.50	73.50	↘	85.00	
Staff FFT % Recommended - Care			?	?	78.60	78.60	78.00	78.00	78.00	78.00	78.00	78.00	83.00	83.00	↗	85.00	
Staff FFT % Recommended – Work			?	?	69.78	69.78	66.00	66.00	66.00	66.00	66.00	66.00	70.50	70.50	↗	65.00	

Safe Key Measures

5.5 Safe

Indicator	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Actual YTD	YTD Trend	YTD Target	YTD Status
Clostridium Difficile - incidence rate	0.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	0.00%	0.00%	0.00%	0.17%	→	0.08%	
Clostridium Difficile - Variance from plan	0	1	0	0	0	0	0	0	0	1	0	0	0	2	→	1	
E-coli bacteraemia BSI rate		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	→	0.00	
MRSA bacteraemia rate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	→	0	
MSSA bacteraemia rate		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	→	0.00	
Proportion of admissions screened for MRSA	95.4	94.2	97.5	96.3	96.1	98.2	97.3	94.7	94.8	95.2	95.5	90.4	97.4	95.6	↗	97.0	
SCHT - Proportion of Clinical Staff who have completed a Hand Washing Assessment (%)	83.22	89.86	98.28	94.13	92.90	74.90	64.68	58.60	57.69	99.05	100.00	94.87	94.64	94.64	↘	100.00	
Seasonal Flu Vaccine Uptake	80.20	?	?	?	?	?	?	?	44.43	60.63	67.66	74.36	76.67	76.67	↗	75.00	
Central Alerting System (CAS) - Outstanding	0	0	0	0	0	0	0	0	0	1	1	0	1	1	↘	0	
Compliance with CQC Medicines Management		?	?	60	67	73	49	61	74	85	78	96	91	97	↗	100	
Duty of Candour Incidents where regulatory doc applies		?	?	2	0	0	2	5	3	2	3	6	8	3	→	0	
Falls - Number of Falls	22	26	25	23	18	25	19	24	17	33	27	24	27	288	↘	384	
Falls - Number of Patients	17	21	19	18	15	17	15	19	15	24	23	19	22	227	↘	252	
Grade 2 Pressure Ulcers	10.00	10.00	9.00	11.00	18.00	11.00	7.00	15.00	16.00	14.00	16.00	16.00	22.00	22.00	→	0.00	
Grade 3 Pressure Ulcers	0.00	0.00	0.00	2.00	3.00	3.00	5.00	0.00	2.00	4.00	7.00	4.00	4.00	4.00	→	0.00	
Grade 4 Pressure Ulcers	0.00	1.00	0.00	0.00	0.00	0.00	2.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	→	0.00	
Medication errors causing serious harm	0	0	0	1	0	0	1	0	0	0	0	0	0	0	→	0	
Medication incidents that affect patients Safety	3	2	7	7	5	0	4	4	8	15	12	6	8	78	→	0	
Never Events	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	→	0.00	
Never events - incidence rate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	→	0	
Never events - repeat events*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	→	0	
NHS Improvement Patient Safety Alerts outstanding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	→	0.00	
Percentage of new Harms*	1.08	2.31	1.06	1.21	2.15	2.17	2.86	1.29	4.84	2.17	1.75	1.51	?	2.12	→	0.00	
Safety Thermometer - harm free care	95.55	92.80	93.57	95.22	94.55	92.19	92.69	93.40	89.90	91.90	94.70	93.77	?	93.15	↗	95.00	
Serious Incidents - falls	0	0	0	1	0	2	1	0	0	0	0	0	1	1	↘	0	
Serious Incidents (reported)	1	2	1	3	6	8	4	7	2	3	4	6	5	51	→	0	
Serious Incidents rate	?	?	?	?	?	?	?	?	?	?	?	?	?	0.00	?	0.00	
SI - Serious Incidents (Other)	1	2	1	1	0	1	3	1	0	?	1	2	0	0	↗	0	
VTE Venous Thromboembolism Risk Assessment	89.00	95.65	90.00	88.40	89.33	81.03	86.99	91.15	87.50	92.86	93.59	87.58	90.79	89.57	↗	95.00	
WHO Surgical Checklist Compliance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	→	Yes	

Performance Report: Performance Analysis

Effective Key Measures

5.3 Effective

Indicator	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Actual YTD	YTD Trend	YTD Target	YTD Status
Data entry within 21 days	99.01	97.87	98.32	99.29	98.87	98.80	99.19	99.31	98.84	99.15	99.00	99.13	98.93	98.91	↗	100.00	
Data Timeliness (2 Days)	90.95	89.63	90.65	92.40	91.06	93.50	93.02	92.73	92.52	92.57	93.75	92.97	92.83	92.32	↗	100.00	
Ethnic coding data quality	96.56	96.31	96.38	96.39	95.83	95.33	91.06	95.09	95.39	95.86	95.24	95.76	95.57	95.34	↗	85.00	
Unallocated data	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	→	0.50	
Use of NHS number	99.95	99.94	99.92	99.93	99.93	99.93	99.94	99.94	99.98	99.97	99.94	99.92	99.94	99.94	↘	95.00	
Bed utilisation (overall)	91.65	91.70	84.64	88.16	82.64	76.09	82.29	80.53	81.37	82.19	89.88	90.02	86.90	84.66	↗	91.00	
Deaths - unexpected	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	→	0.00	
Did Not Attend rates (DNA)	4.69	4.63	4.37	4.24	4.49	4.79	4.26	4.18	4.29	4.31	4.29	4.23	?	4.36	↗	10.00	
Length of Stay (overall)	22	17	16	17	15	13	14	13	13	13	16	15	13	14	↗	20	

Responsive Key Measures

5.2 Responsive

Indicator	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Actual YTD	YTD Trend	YTD Target	YTD Status
Complaints - % of action plans implemented (well founded complaints) to ensure continuous improve	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	→	100.00	
Complaints - acknowledged within 3 working days	100.00	100.00	100.00	100.00	100.00	88.20	100.00	100.00	100.00	100.00	100.00	100.00	100.00	99.02	↗	100.00	
Complaints - upheld by the Ombudsman	0	0	0	0	0	0	0	0	0	0	0	0	0	0	→	0	
Complaints -(All) - % responded to within timescales	84.00	100.00	100.00	100.00	100.00	100.00	91.00	100.00	100.00	100.00	100.00	100.00	100.00	99.25	↗	95.00	
CQC Conditions or Warning Notices	0	0	0	0	0	0	0	0	0	0	0	0	0	0	→	0	
Number of Claims for compensation received	0.00	0.00	1.00	2.00	0.00	0.00	1.00	1.00	0.00	1.00	0.00	2.00	0.00	0.00	↗	0.00	
Open Serious Incidents.Requiring Investigation (SIRI)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	→	0	
Proportion of patients not treated within 28 days of last minute cancellation	0	0	0	0	0	0	0	0	0	1	0	1	0	2	→	0	
Written Complaints - rate	1.30	4.60	4.60	4.60	6.00	11.33	4.00	7.00	3.00	3.00	3.00	3.00	6.00	5.01	↘	8.00	
18 week Referral To Treatment (RTT) for admitted patients	93.98	94.52	97.22	96.36	95.52	97.33	97.10	98.48	100.00	95.16	91.78	100.00	?	100.00	↗	90.00	
18 week Referral To Treatment (RTT) for non admitted patients	86.85	86.97	91.70	88.99	88.88	90.35	90.11	88.30	88.69	92.51	90.99	91.71	?	91.71	↗	95.00	
18 week Referral To Treatment (RTT) incomplete pathways	91.38	92.15	93.27	92.11	93.06	93.62	93.16	93.99	94.80	95.09	95.16	95.67	?	95.67	↗	92.00	
Community Equipment Store - Response within 7 days	99.08	99.02	99.15	99.07	99.06	99.14	99.12	99.14	?	?	?	?	?	99.10	↗	99.00	
Diagnostics for Audio/Ultrasound	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	?	100.00	→	99.00	
District Nurse response - Next Day	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	→	100.00	
District Nurse response - Same Day	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	→	100.00	
MIU Ambulance Arrival assessed within 15 minutes	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	→	95.00	
MIU Percentage of people who leave MIU without being seen	0	1	1	2	1	1	1	1	1	1	1	1	1	1	↘	5	
MIU Total time in department - discharged within 4 hours	99.80	99.56	100.00	99.78	99.96	99.92	99.83	99.88	99.80	100.00	100.00	100.00	99.65	99.87	↘	95.00	
MIU Treatment Times (Arrival to Seen Time) - Median wait of 60 mins	9	8	9	14	10	7	8	9	10	10	8	9	10	9	↘	60	
MIU Unplanned Re-Attendances (within 7 days of discharge)	0.85	1.38	0.87	1.03	1.53	2.57	1.57	3.08	2.46	3.02	2.54	2.79	3.59	2.15	↘	5.00	
Outpatients > 12 week - Consultant Led - Community Paediatrics	32.50	27.78	25.00	34.09	10.64	45.83	36.54	33.33	21.57	13.04	20.78	25.00	?	26.35	↗	18.00	
Outpatients > 6 week - consultant led	43.90	38.10	42.80	35.61	45.31	41.87	47.33	48.48	45.67	54.09	48.25	51.45	?	45.80	↘	50.00	
Outpatients > 6 week - non consultant led	43.13	54.33	50.93	51.68	60.95	52.60	56.09	56.80	55.68	55.34	56.24	56.23	?	55.46	↘	50.00	
Proportion of Delayed Transfers of Care (Days)	4.16	4.56	4.39	4.83	2.39	6.40	3.28	0.85	0.74	3.34	4.08	2.23	4.04	4.04	↘	3.50	
Proportion of patients within 18 weeks	87.68	88.34	88.87	87.69	87.05	86.21	85.15	84.60	82.23	83.49	82.81	81.08	80.23	80.23	↘	92.00	
Referral to Treatment Incomplete 52+ Week Waiters	0	0	0	0	0	0	0	0	0	0	0	0	?	0	→	0	

Performance Report: Performance Analysis

Well Led Key Measures

5.4 Well Led

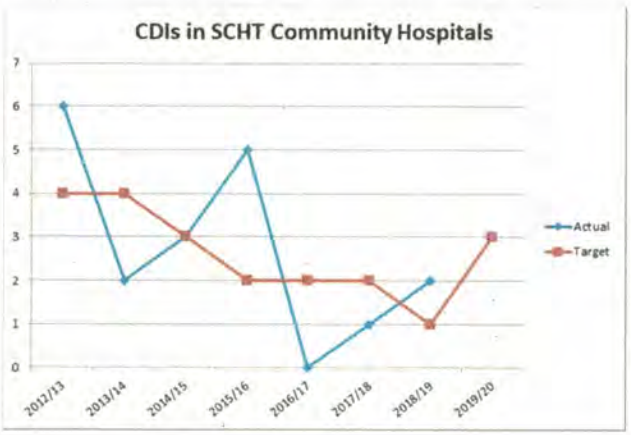
Indicator	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Actual YTD	YTD Trend	YTD Target	YTD Status
Appraisal Rates	86.50	87.40	87.93	89.70	89.50	88.00	85.10	86.50	86.40	86.40	85.00	85.00	87.70	87.05	↗	95.00	
Basic Life Support Training (Adult & Paediatric) (CPR)		84	85	82	83	86	87	88	88	89	87	87	86	86	↘	95	
Clinical Vacancies - AHP		?	18.31	10.92	11.14	10.50	8.71	7.36	6.92	7.32	8.20	7.36	?	7.36	↗	8.00	
Clinical Vacancies - Nursing		?	13	10	9	9	9	7	5	6	6	7	?	7	↘	8	
Employee Numbers (FTE)	1,201...	n/a 1,203...	n/a 1,202...	n/a 1,209...	n/a 1,224...	n/a 1,224...	n/a 1,232...	n/a 1,247...	n/a 1,261...	n/a 1,268...	n/a 1,259...	n/a 1,258...	n/a 1,261...	1,237...	↘	1,206...	n/a
Executive Team turnover	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.00	0.00	0.00	0.00	→	0.00	
Information Governance Requirements	85.83	90.65	91.53	90.96	90.13	91.79	93.12	93.84	93.02	93.07	91.28	93.37	93.06	93.06	↘	95.00	
Leavers < 1 year in service (FTE)	0.40	0.72	1.18	1.02	0.50	0.38	0.65	0.42	1.60	0.60	3.20	1.60	0.44	1.03	↗	1.33	
Leavers All (FTE)	1.15%	0.78%	0.84%	0.48%	0.69%	0.92%	0.64%	0.43%	0.63%	0.86%	1.39%	0.68%	0.59%	0.74%	↗	0.80%	
Mandatory Core Training - Clinical Staff		90	91	91	91	92	92	91	92	92	92	93	93	93	↗	90	
Mandatory Training Compliance (excluding IG)	90.49	91.03	92.08	91.74	91.68	92.53	92.62	92.41	92.15	92.75	92.65	93.58	93.54	93.54	↘	95.00	
Mental Capacity Act (MCA) Training % Compliance		89	91	91	89	91	91	89	89	88	90	92	93	93	↗	95	
Proportion of temporary staff	4.90	3.33	4.87	5.94	2.75	4.00	3.20	2.80	2.34	2.16	3.25	3.20	?	3.20	↗	3.40	
Safeguarding Training Compliance (Children) Level 2 & 3		88	90	90	89	90	88	87	86	88	90	89	89	89	↗	95	
Safeguarding Training Compliance Level 1 (Adults)		94	95	96	96	96	96	96	96	97	97	98	98	98	↘	95	
Safeguarding Training Compliance Level 2 (Adults)		87	89	90	90	91	90	89	90	91	93	95	95	95	↘	95	
Sickness Absence - AHP Workforce		?	3.43%	4.20%	2.88%	4.27%	2.15%	2.41%	2.45%	3.56%	3.50%	2.65%	3.61%	3.19%	↘	3.39%	
Sickness absence - all	4.76	5.10	5.34	5.16	4.80	4.71	4.48	4.97	5.30	6.18	6.13	5.09	4.44	5.14	↗	3.39	
Sickness absence - Long term	3.34	3.60	3.90	3.84	3.41	3.30	3.47	3.56	2.74	3.58	4.04	3.18	2.66	3.44	↗	2.26	
Sickness Absence - Nursing Workforce		?	?	?	5.40%	5.33%	5.03%	5.41%	5.63%	6.17%	6.38%	5.36%	5.16%	5.54%	↗	3.39%	
Sickness absence - Short term	1.40	1.50	1.44	1.32	1.38	1.41	1.04	1.52	2.56	2.57	2.09	1.91	1.78	1.71	↘	1.13	
Total shifts exceeding NHSI capped rate	296	267	523	523	484	465	409	380	314	263	352	367	435	4,802	→	0	
Total shifts on a non-framework agreement	50	33	20	32	30	32	36	46	44	28	34	38	39	410	→	0	

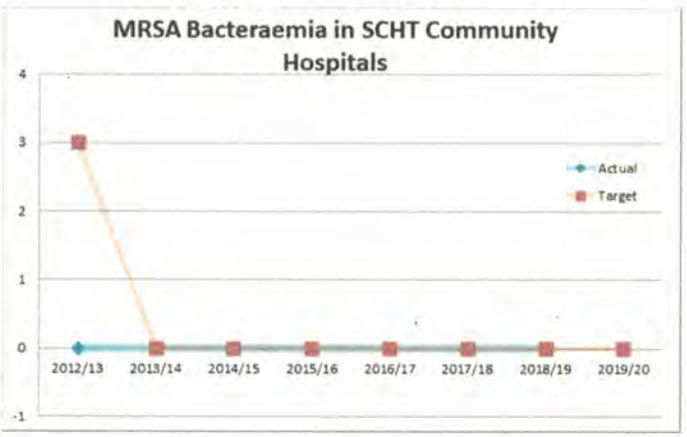
Performance Report: Performance Analysis

Protecting our patients against infections

As healthcare providers it is important that we have robust infection prevention and control measures and practices in place, and to reassure the public that reducing the risk of infection is a key priority for us. Altogether this supports the provision of high quality services for our patients and a safe working environment for our staff.

During 2018/19 there were no cases of Meticillin Resistant *Staphylococcus aureus* (MRSA) bacteraemia (against a target of zero), and two cases of *Clostridium difficile* (against a target of one) reported at the Trust, one of which was sent to appeal. It was found that there were no lapses of care and the case was not attributable to this Trust.





Protecting our patients, staff and the community against influenza

Feedback from our staff and taking learning from previous campaigns informed our approach to the 2018/19 flu campaign. We set out to target our 1,166 frontline healthcare workers to achieve a CQUIN target of 75%. This focussed on core messaging about the risks associated with flu, how you can pass flu on without having symptoms and protection of patients, colleagues and families. Our achieved uptake of 76.7%, which exceeds the national average by over 8%, ensured we met the CQUIN target of 75%.

During this year's campaign there was a new requirement to collect anonymised information on the reasons that staff gave for opting out of the vaccination. The main reasons given were concern over possible side effects and efficacy of the vaccine. No staff indicated that they had opted out because they didn't know how or where to get vaccinated, it was too inconvenient to get vaccinated or the times when vaccination was available were inconvenient. This indicates that the decision to take the flu vaccine to the workplace rather than requiring staff to visit a set flu clinic was a positive one and will be carried forward to the next campaign.

Performance Report: Performance Analysis

Listening to our patients and staff

A key part of driving forward improvement involves giving the people who use and provide our services a chance to tell us what we are doing well and what we need to do better, and making sure we listen to them when they do. It is also important we maintain a healthy cycle of communication by feeding back how this vital information is being acted on.

NHS Friends and Family Test

The NHS Friends and Family Test (FFT) was created to help service providers and commissioners understand whether their patients are happy with the service provided, or where improvements are needed. It is a quick and anonymous way to give your views after receiving care or treatment across the NHS. Our performance for 2017/18 can be found in the "Caring Key Measures" section of this report on page 20.

Compliments and Complaints

The compliments and complaints we receive are another valuable source of feedback about our services that we use to support our improvement plans. Between April 2018 and March 2019 we received **89 formal complaints** (an increase of 17 on the previous year) across all of our services. We have procedures in place to ensure we manage any complaints in line with national policy, including the "Principles of Good Complaints Handling" and "Principles of Remedy" set out by the Parliamentary and Health Service Ombudsman.

During the same period of time (2018/19) we received **288 compliments** about our services.

Our Patient Advice and Liaison Service (PALS) handles a great deal of the contact we have with service users and their families.

In 2018/19 **PALS dealt with 106 enquiries**. While this was a decrease on the previous year PALS also receives queries that are unrelated to our services and where signposting to other organisations is appropriate; we are looking at ways to record this information to ensure we fully capture all PALS activity.

Staff Experience

We are committed to ensuring that our staff feel valued and are able to give and receive feedback through a number of mechanisms.

The annual Staff Survey provides an opportunity to ask how staff feel. Our most recent survey showed:

- Our staff are proud of the care they deliver
- They feel safe to speak up when things are not right
- Staff feel that we act fairly on career progression and nearly all who responded said that they had an up to date appraisal

Performance Report: Performance Analysis

Detailed discussions about our results have resulted in three areas of focus for the coming year:

- Creating time to look after ourselves, each other and our teams
- Working together and living our values to get to zero bullying and harassment
- Continue to develop our leaders to have conversations that count around staff wellbeing and appraisals

You can find the full NHS Staff Survey 2018 report at www.nhsstaffsurveys.com

The Environment and Sustainability

Our overall strategy is to make our buildings as energy efficient as possible with a realistic "payback period" for any expenditure incurred for efficiency measures. New buildings will be designed, as a minimum requirement, to meet relevant legislation on energy efficiency. Refurbishment work will include energy efficient lighting.

Our current approach to procuring "Utility fuel" is to use a framework. This gives the Trust the advantage of buying on a much greater bulk than we could as an individual organisation. At each renewal point we will reassess and choose the right framework.

The Trust does not have either the resource or expertise internally and needs to partner with an organisation that does. We currently have a strong working relationship with Midlands Partnership NHS Foundation Trust, whose Director of Estates and Facilities fills the same role for our organisation.

Jan Ditheridge
Chief Executive

23 May 2019

Accountability Report: Corporate Governance Report

Our Board (Directors Report)

The Trust Board is responsible for the leadership, management and governance of the organisation and setting the strategic direction.

NHS Improvement (NHSI) appoints all of the organisation's Non-Executive Directors, including the Chair. The Chief Executive is appointed by the Chair and Non-executive Directors. The Executive Directors are recruited by the Chief Executive and supported by the Non-Executive Director-led Nomination, Appointments and Remuneration Committee.

This report provides information about the membership of our Board as at the time this Annual Report and Accounts were approved:

Nuala O'Kane, Chair (Term: February 2019 to February 2021)

Nuala was CEO of the Donna Louise Trust Children's Hospice in Stoke on Trent from 2007 until 2014. Prior to that, she worked at Hope House Children's Hospice from 1994 until 2007. Nuala has worked in the voluntary sector for over 30 years for a number of different organisations. Nuala was a Councillor on Telford and Wrekin Council for 12 years until 2003. She was a Non-Executive Director of the Trust from July 2015 until her appointment as Chair in February 2019.

Peter Phillips, Non-Executive Director (Term: March 2019 to March 2021)

Peter has extensive private sector financial and commercial experience. He is a Fellow of both the Institute of Chartered Accountants in England and Wales and of the Association of Corporate Treasurers. Peter recently completed an eight-year term as Chairman of Arts Council England for the Midlands. He is a Board member of Housing Plus Group. He joined the Trust as a Non-Executive Director in 2013, becoming Vice Chair in February 2019. He is also Chair of the Trust's Audit Committee.

Harmesh Darbhanga, Non-Executive Director (Term: November 2018 to November 2020)

Harmesh brings a strong background of accountancy and financial management to the role, having spent more than 20 years working in senior roles at Wrexham County Borough Council. He also has extensive experience as a Non-Executive Director, including at The Shrewsbury and Telford Hospital NHS Trust. He joined the Trust as a Non-Executive Director in November 2018.

Accountability Report: Corporate Governance Report

Tina Long, Non-Executive Director (Term: November 2018 to November 2020)

Tina has over 40 years of experience in clinical and strategic nursing roles. She has most recently worked as Chief Nurse of the Greater Manchester Health and Social Care Partnership. Her appointment brings her full circle, having started her career as a Ward Sister for the old Shropshire Health Authority in 1979. She joined the Trust as a Non-Executive Director in November 2018.

Peter Featherstone, Non-Executive Director (Term: November 2018 to November 2020)

Peter has worked in the public sector in a variety of senior strategic development and service improvement roles, and is currently Programme Director for Children's Services at Haringey London Borough Council. He joined the Trust as a Non-Executive Director in November 2018.

Jan Ditheridge, Chief Executive (Appointed September 2013)

Jan has been Chief Executive since 2013 and has overall clinical, financial and leadership responsibility for the organisation. She is an experienced strategic leader with a background encompassing a broad variety of clinical, operational and leadership roles across health, social care and the private sector. She also has a wealth of expertise in the areas of transformation, delivery, clinical quality and effective performance management. Jan is dual qualified as a registered general and mental health nurse.

Steve Gregory, Director of Nursing and Operations (Appointed January 2014)

Steve is responsible for leading and managing clinical services. He is a Registered Nurse with a strong track record of modernising services and strongly believes in giving clinicians really good professional leadership and support. He has been involved in leading complex change programmes to support patients in better ways. He played a critical role in the leadership team that ensured South Staffordshire and Shropshire Healthcare became one of the first Mental Health NHS Foundation Trusts.

Dr Jane Povey, Medical Director (Appointed October 2018)

Jane is a GP by background and has lived in Shropshire for over 20 years, combining clinical work with medical leadership and management roles both locally and nationally. She was the first Medical Director of Shropshire County Primary Care Trust, and then moved on to be Medical Director (Primary Care) for West Midlands Strategic Health Authority. She has worked as Deputy Medical Director for the UK Faculty of Medical Leadership and Management for the past 5 years

Accountability Report: Corporate Governance Report

Ros Preen, Director of Finance and Strategy (Appointed October 2015)

Ros is a member of the Chartered Institute of Management Accountants and has worked in NHS Healthcare for over 25 years, crossing sectors from acute, mental health and commissioning. Ros is responsible for setting the financial strategy and has taken IM&T, Informatics and Performance into her portfolio. Strategy was added earlier this year.

Jaki Lowe, Director of People (Appointed March 2019)

Jaki joined the Trust in March 2019. Jaki is on secondment from Sheffield Teaching Hospitals NHS Trust, where she worked in Organisational Development. Jaki started her career in nursing, completing RGN training in Derby before moving into HR and OD, and has in most recent years worked at director level inside and outside of the NHS. Her portfolio includes Organisational Development, HR and Workforce, Occupational Health, Guardian of Safe Working responsibilities and patient complaints.

Sarah Lloyd, Associate Director of Finance (Appointed November 2018)

Sarah has extensive experience working in healthcare settings including mental health, commissioning and community services and is a member of the Chartered Institute of Management Accountants. She is an executive non-voting board member and is responsible for advising the Board and wider organisation on financial matters including financial governance and stewardship. Sarah is also the Trust lead for Contracting, Procurement, Operational Estates Services, Counter Fraud and Security Management.

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.

Other Non-Executive and Executive Directors who served on the Trust Board during 2018/19 were:

- Mike Ridley, Trust Chairman (until 15 February 2019)
- Rolf Levesley, Non-Executive Director (until 24 May 2018)
- Steve Jones, Non-Executive Director (until 26 July 2018)
- Dr Mahedeva Ganesh, Medical Director (until 30 September 2018)
- Julie Thornby, Director of Corporate Affairs (until 22 January 2019)

Accountability Report: Corporate Governance Report

Committee Membership and Attendance

There are a number of key committees in place that help the Board to manage and monitor the organisation. The committee structure provides information and updates to the Board to contribute to its assessment of assurance.

Quality and Safety Committee

Role and Purpose:

The Quality and Safety Committee oversees the review of quality assurance on all aspects of quality. This includes reviewing information against the five quality domains of caring, responsive, effective, well-led and safety. The primary aim is to ensure the robustness of systems, processes and behaviours, monitor trends, and take action to provide assurance to the Board.

Membership:

- Peter Featherstone (Chair)
  Non-Executive Director
- Jan Ditheridge
  Chief Executive
- Steve Gregory
  Director of Nursing of Operations
- Dr Jane Povey
  Medical Director
- Jaki Lowe
  Director of People
- Tina Long
  Non-Executive Director

Other invitees, including a number of senior managers and patient representatives, are also expected to attend meetings.

Audit Committee

Role and Purpose:

The Audit Committee provides an overarching governance role, including overseeing the adequacy of the Trust's arrangements for controlling risks and being assured that they are being mitigated. In order to do this it reviews the work of other governance committees, making sure the systems and controls used are sound.

Membership:

- Peter Phillips (Chair)
  Non-Executive Director
- Harmesh Darbhanga (Vice Chair)
  Non-Executive Director
- Peter Featherstone
  Non-Executive Director
- Tina Long
  Non-Executive Director

Other Executive Directors and Senior Managers of the Trust are regularly invited to attend meetings of the Audit Committee;. Non-Executive Directors (excluding the Chairman) are invited to attend.

Accountability Report: Corporate Governance Report

Resource and Performance Committee

Role and Purpose:

The Resource and Performance Committee has delegated authority from the Board to oversee, co-ordinate, review and assess the financial and performance management arrangements within the Trust. The Committee assists in ensuring that Board members have a sufficiently robust understanding of key performance and financial issues to enable sound decision-making.

Membership:

- Harmesh Darbhanga (Chair)
  Non-Executive Director
- Peter Featherstone
  Non-Executive Director
- Jan Ditheridge
  Chief Executive
- Steve Gregory
  Director of Nursing of Operations
- Peter Phillips
  Non-Executive Director
- Ros Preen
  Director of Finance
- Sarah Lloyd
  Associate Director of Finance
- Nuala O'Kane
  Trust Chair

The Chairman and all other Non-Executive Directors are invited to attend and other Trust Directors and managers and health professional staff attend for specific items.

Nomination, Appointment and Remuneration Committee

Role and Purpose:

The Committee has an overall responsibility in respect of the structure, size and composition of the board and matters of pay and employment conditions of service for the Chief Executive, Executive Directors and Senior Managers (including the Board Secretary).

Membership:

- Nuala O'Kane (Chair)
  Chairman
- Harmesh Darbhanga
  Non-Executive Director
- Peter Phillips
  Non-Executive Director
- Tina Long
  Non-Executive Director
- Peter Featherstone
  Non-Executive Director

The Director of People attends the Committee in an advisory capacity, except where his/her own salary, performance or position is being discussed; on such occasions they must not be present during the meeting.

Accountability Report: Corporate Governance Report

Charitable Funds Committee

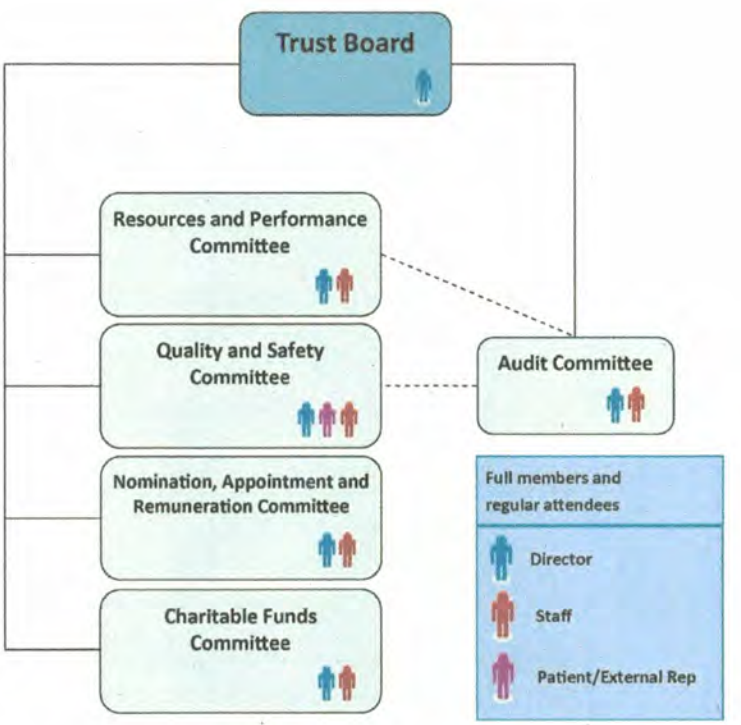
Role and Purpose:

The Charitable Funds Committee is responsible for managing and monitoring charitable funds held by the Trust on behalf of the Board.

Membership:

- Nuala O'Kane
  Chair
- Sarah Lloyd
  Associate Director of Finance
- Steve Gregory
  Director of Nursing and Operations

Other members of staff are invited to attend as required.



You can find more details about our governance structures and committees in the About Us (Who We Are) section of our website at **www.shropscommunityhealth.nhs.uk**

Accountability Report: Corporate Governance Report

Trust Board Members – Disclosure of Interests

Name	Interest
Voting Board Members	
Ms Nuala O'Kane *Non-Executive Director* (From 1 July 2015)	Director of Catalys, a consultancy specialising in capacity building and organisational development. Director of the Grand Theatre, Wolverhampton Member of the Labour Party
Ms Jan Ditheridge *Chief Executive* (From 30 September 2013)	None
Mr Peter Phillips *Non-Executive Director* (From 21 October 2013)	Board member of Housing Plus Group, Chair of Homes Board subsidiary comprising Severnside Housing and South Staffordshire Housing Association. Director and Shareholder of Masteragency (Consultancy) Director of Access Skills Ltd (business training provider) West Midlands Arts Trust Director Son is a town councillor for Shrewsbury (Bagley Ward), a Shropshire Unitary Authority councillor and has a role in the Birmingham Combined Authority Mayors Office
Harmesh Darbhanga *Non-Executive Director* (From 12 November 2018)	Associate Non-Executive Director, Shrewsbury and Telford NHS Trust
Tina Long *Non-Executive Director* (From 12 November 2018)	Employed by NHS England as Chief Nurse for Greater Manchester
Peter Featherstone *Non-Executive Director* (From 12 November 2018)	Director of Featherstone Management Consultancy Limited Owner of Featherstone Management Consultancy Limited Trustee of Telford and Wrekin Mind Occasional Pharmacist Locum
Mr Steve Gregory *Director of Nursing and Operations* (From 13 January 2014)	Mr Eds Shed Ltd, a not for profit organisation for people with an eating disorder Married to the Trust Head of Nursing, Child and Family Service

Accountability Report: Corporate Governance Report

Dr Mahadeva Ganesh *Medical Director* (From 11 August 2014)	Employed by Shrewsbury and Telford Hospital Trust for one session a month
Ms Ros Preen *Director of Finance* (From 1 October 2015)	Trustee of the Healthcare Management Association (HFMA)
Jaki Lowe *Director of People* (From 11 March 2019)	Vice Chair of Cycling UK (Charity)
Sarah Lloyd *Associate Director of Finance* (From 1 November 2018)	None
Dr Jane Povey *Medical Director* (From 15 October 2018)	Advisory Board University Centre Shrewsbury (University of Chester) Consultancy - Mazars Associate Director - Creative Inspiration Shropshire (Community Interest Company) CIC Director - Dr Jane Povey Ltd Non-Executive Director for 'The Gold Standards Framework Centre'. Dr Julian Povey (husband) Chair of Shropshire County CCG and GP principal Pontesbury Medical Practice.
Non-voting board members	
Previous board members (voting and non-voting)	
Mr Mike Ridley *Chair* *(Left 15 February 2019)*	Chair, St Lukes Hospice, Winsford, Berkshire Director, Crewe YMCA Daughter employed by CHKS
Mr Rolf Levesley *Non-Executive Director* *(Left 24 May 2018)*	Chair of Housing Plus Group (Housing Association) This organisation has a care business
Mr Steve Jones *Non-Executive Director* *(Left 26 July 2018)*	None
Julie Thornby *Director of Corporate Affairs* *(Left 18 January 2019)*	None
Dr Mahadeva Ganesh *Medical Director* *(Left 30 September 2018)*	Employed by Shrewsbury and Telford Hospital Trust for one session a month

Accountability Report: Corporate Governance Report

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 the Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, recognised gains and losses and cash flows for the year. In preparing those accounts, directors are required to:

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

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

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

The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy.

By order of the Board.

Sarah Lloyd
Director of Finance
23 May 2019

Jan Ditheridge
Chief Executive
23 May 2019

Accountability Report: Corporate Governance Report

Statement of the Chief Executive's Responsibilities as the Accountable Officer

The Chief Executive of NHS Improvement has designated that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Chief Executive of NHS Improvement. 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.

I can confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable and that I take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

As far as I am aware there is no relevant audit information of which the entity's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

Jan Ditheridge
Chief Executive

23 May 2019

Accountability Report: Corporate Governance Report

Annual Governance Statement

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Shropshire Community Health NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Shropshire Community Health NHS Trust for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Board consists of the Chair, five Non-Executive Directors and five voting Executives Directors. During the year there has been one non-voting director (Director of Corporate Affairs/Board Secretary), who left the Trust in January 2019, and one non-voting Board member from November 2018 onwards (Associate Director of Finance).

At the start of 2019, there was one Non-Executive vacancy, and one Executive vacancy. During the year two further two Non-Executives left the Trust. In November 2018 three further Non- Executive were recruited, In January 2019 the Trust Chair left, this post was filled by one of the non-executive directors leaving another non-executive vacancy. A further voting executive director was recruited in March 2019.

The Board has been supported by five committees throughout the year:

- Resources and Performance Committee
- Quality and Safety Committee
- Audit Committee
- Nomination, Remuneration and Appointments Committee
- Charitable Funds Committee

These committees provide reports to the Board, following their meetings.

Accountability Report: Corporate Governance Report

The Board's prime roles are assurance, strategy and developing organisational culture. Its meetings cover comprehensive items on quality, finance and strategy. It receives a governance report at each meeting dealing with risk assessment and the Board Assurance Framework, and corporate governance compliance.

The Board receives reports relating to Finance and Quality at each meeting. These are supported by a performance management framework which highlights to the Board any potential or actual problems in meeting its objectives.

All staff undertake a programme of training related to the risks they encounter with the work they carry out. Managers, supervisors and team leaders attend risk management training, which includes explanation and familiarisation with the Trust's risk management framework, and their roles in using it to identify and mitigate risk. Managers are supported by the Corporate Risk Manager, who provides guidance on all aspects of risk management.

The risk and control framework

The system of internal control is designed to manage risks to a reasonable level, rather than to eliminate all risks; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The purpose of the risk and control framework is to ensure risk is managed at a level that allows the Trust to meet its strategic objectives. The system of internal control is based on an ongoing process designed to:

- Identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives,
- Evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- Where risk cannot be prevented to mitigate the consequences, e.g. by putting into place response plans, or provide deterrents e.g. awareness of sanctions relating to fraud.

The Risk Management Policy details the structure for the Trust's risk and control mechanisms. This includes the duties of individuals, groups and committees and the responsibility for the identification of risks, controls, further mitigation control and assurances.

The Quality and Safety Committee has the overall responsibility for the monitoring of the Trust's Risk Registers, which is conducted via the Quality and Safety Delivery Group and Quality and Safety Service Delivery Groups (with exceptions being notified to the Quality and Safety Committee). The Audit Committee, through its work programme, scrutinises the registers and risk management processes, seeking additional assurance where necessary.

The Resources and Performance Committee considers the detailed work and reports related to finance, business and cost improvements, performance indicators and contract monitoring performance indicators. It identifies any risks associated with these areas and reports these to the Board for inclusion in the risk management framework where it is appropriate to do so. It monitors the effectiveness of any controls in place and the implementation of further controls.

Accountability Report: Corporate Governance Report

The Audit Committee reviews the assurance that the Trust's internal control systems are effective. It does this by:

- Reviewing assurances relating to risks on Board Assurance Framework and Corporate Risk Register.
- Reviewing processes and performance related to Fraud and Security.
- Seeking and reviewing assurances from internal and external auditors.
- Reviewing financial systems.

The Trust's risk management arrangements are set out in the Risk Management Policy. This sets out how risks are identified, assessed and managed through the hierarchy of risk register levels, which are overseen in specific defined ways through the organisation, culminating in the Board overseeing the highest risks to achievement of strategic objectives (the Board Assurance Framework). The Audit Committee reviews and tests assurances with management related to the Board Assurance Framework entries. The Audit Committee reports its findings to the Board, which reviews the framework entries at each meeting. Internal Audit have reviewed the framework in place within the Trust during 2018/19 and have reported their findings as part of the Head of Internal Audit opinion.

Risks are identified through:

- The recording and investigation of incidents, complaints and claims.
- Specific group and committee sessions to identify and analyse risks.
- Clinical, internal and external audit.
- Other work carried out by groups and committees.
- External and internal reports and inspections.
- Other external bodies, e.g. commissioners, CQC.
- Being raised by individual managers and staff.
- Performance Management Framework reports
- Patient feedback

All risks are rated using a 5 by 5 risk matrix. Risk consequences are defined on the matrix using four categories:

- Injury or harm
- Finance
- Service delivery
- Reputation

Dependant on the rating, risks are recorded at four levels:

Departmental	Risks that are low level and can be managed locally Risks are monitored at team level, e.g. through team meetings

Accountability Report: Corporate Governance Report

Directorate	Risks of a moderate level that impact on the directorate's service objectives Risks are monitored at divisional/directorate quality groups, and are overseen by the Quality and Safety Delivery Group, via a sub group which considers the risk in detail.
Corporate	Risks that are moderate but Trust-wide and have impact on the Trust's strategic objectives Risks are monitored by the Executive Team and overseen by the Audit Committee.
Board Assurance Framework	Significant risks to the Trust's corporate objectives Risks are monitored by the Board

At each level the overseeing committee considers the risk potential, and the level of control in place, and decides whether a risk can be accepted.

The mitigation controls are identified at all risk levels, along with any actions necessary to further control or mitigate the risks. The risk management policy identifies the groups and committees whose responsibility it is to monitor risks at the four levels, the effectiveness of their controls and the implementation of actions to further mitigate the risks.

All risks are recorded on Datix, the Trust's risk management software.

Any service change is subject to a full Equality and Quality Impact Assessment (EQIA) process, monitored by the Quality and Safety Committee. This process identifies any risks, and any mitigation or change that needs to be put into place.

The Trust has in place a well-established incident reporting system and culture. All staff use an online form which is submitted to their line manager. Risk staff provide local training to services and have an overview of all incidents. Line Managers investigate the circumstances of all incidents; serious incidents follow a more formal route with Root Cause Analysis investigations which are scrutinised by the Incident Review and Lessons Learned Group. Learning and advice, including encouragement to report are publicised through the Trust's staff communication systems, include the staff newsletter and individual alerts to staff

The Trust has arrangements in place to manage Infection Prevention and Control and the Safeguarding of Children and Vulnerable Adults. These include external partnership arrangements with Local Authorities, Police and Shrewsbury and Telford Hospital Trust.

A key priority of the Trust is to achieve a CQC rating of Good. Assessments have been carried out measuring performance against the key lines of enquiry and an action plan has been implemented.

Accountability Report: Corporate Governance Report

Plans are monitored by the service delivery groups and quality and safety committee, and the process is scrutinised annually by the audit committee. CQC have assessed the Trust, the rating result is awaited.

The Trust has not reported any Never Events during the year 2018/19.

The following significant risks have been identified as applying during the whole year, and are on the Board Assurance Framework:

Title	Risk	Mitigation
Meeting Financial Targets	Trust fails to meet targets for CIPs, breakeven, external finance limit, capital expenditure or agreed surpluses	Financial monitoring Long term financial modelling Cost improvement plans evaluation and monitoring.
Clinical Quality and Safety	Risks related to the maintenance of Quality and Safety standards	Performance monitoring Audit programmes Adherence to standards Management of events (complaints and incidents) Safer staffing
Optimising use of Technology	Not effectively using technology in the management and transformation of services	Delivery of IMT Strategy Service transformation plans Compliance with standards Project Governance
Healthcare Systems	The Shropshire STP system plan develops in such a way that prevents the delivery of the Trust's long term clinical transformation strategy.	Engagement with stakeholders Representation with programme board and with commissioner programs
Organisational culture does not support the values of the Trust	Not maintaining a learning culture Care is not person centred	Organisational Development Framework Communication plan Leadership visibility
EU Exit	Disruption to services as a result of EU exit	Engagement with NHS plans Assessment of Trust risks Contingency plans for risks Engagement with stakeholder organisations

The Trust is fully compliant with the registration requirements of CQC

We continue to use a recognised workforce planning methodology (the 6 Steps) to create our strategic workforce plan for our future workforce in relation to our key pathways of care. The Board receive Safe Staffing reports on a regular basis, and we ensure that changes to workforce profile are considered through our QEIA process. For 2019/20 we will further increase the robustness of our approach in line with the NHSI Guidance Developing Workforce Safeguards.

The trust has published an up-to-date register of interests for decision-making staff within the past twelve months, as required by the '*Managing Conflicts of Interest in the NHS*' guidance.

Accountability Report: Corporate Governance Report

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

Plans are being formulated to carry out risk assessments and to put into place a sustainable development management plan which takes account of UK Climate Projections 2018 (UKCP18). The trust will ensure that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

The trust is fully compliant with the registration requirements of the Care Quality Commission.

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

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

NHS Trusts are required to deliver statutory and other financial duties. For the year ended 31 March 2019, the Trust met these duties, as summarised below, and set out in more detail within the financial statements:

- to break-even on Income & Expenditure – achieved
- to maintain capital expenditure below a set limit - achieved
- to remain within an External Financing Limit (EFL) - achieved

Within this, the Trust faced significant challenge in delivering the efficiency programme for the year, with plans remaining under development throughout most of the year. However, the target was met by year end, with non-recurrent measures replacing in-year shortfalls in recurrent initiatives where required. Whilst this area remains a significant challenge, the Trust's transformational approach to generate and implement efficiency measures has been revised and strengthened.

Checking the correct discharge of statutory functions is managed via the Trust risk management system. No areas of non-compliance have been identified.

The Resource and Performance Committee monitor resources at its monthly meeting and prepare a report for each Board meeting. Financial systems are audited by the Trust's Internal Auditors, consistently gaining a rating of either full or substantial assurance.

The Trust monitors performance against quality standards via a performance framework, reporting through Board committees to the Board. These standards include quality of care, efficiency of service delivery, performance against national standards, contract delivery and finance. Where indicated recovery plans are formulated, actioned and monitored.

External auditors have given an unqualified Value for Money rating for each year since the Trust was formed in 2011.

Accountability Report: Corporate Governance Report

Information Governance

The Trust has robust measures in place to protect both paper and electronic personal confidential data held by the Trust.

The Trust completes the Data Security and Protection Toolkit (DSPT) which sets out the National Data Guardian's (NDG) data security standards. By completing this Toolkit self-assessment the Trust provides evidence to demonstrate that it is working towards or meeting the NDG standards. The NDG standards are aligned to the General Data Protection Regulation (GDPR) and the Data Protection Act 2018.

Through the Information Governance reporting framework the Trust Board receives assurance that progress is being made and is also notified of any risks regarding data protection and security. Information Governance Operational groups include specialist members of staff who can support assessment and testing of the robustness of the systems employed. All Trust issued electronic devices issued by the Trust are encrypted and have their access appropriately managed to protect against unauthorised personnel accessing data.

No serious incidents were reported relating to data security or breaches.

Annual Quality Account

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

This account looks back at performance in the last year and sets priorities for the following year. The Board approves the account prior to publication. Arrangements are in place via service delivery groups and trust wide groups to report quality and safety matters to the Quality and Safety Committee, which in turn reports to the Board. This includes progress against the priorities set out in the Quality Account.

The Trust has structured systems in place to verify data quality, including elective waiting time data. These include:

- Validation of data reports and results is carried out by both service managers and systems users
- Audits of data are carried out by both informatics and operational staff.
- Audits by RSM staff on selected data sets and processes and where any issues are raised appropriate action plans are developed and
- subsequently monitored to ensure that we meet the requirements
- Electronic data validation is built into systems wherever possible e.g. missed mandatory fields and data out of permitted ranges.
- Performance data monitoring is routinely carried out by various Trust groups and committees.
- Commissioners carry out external scrutiny of activity and quality data.
- Appropriate user training on systems to ensure that they understand the correct data management processes e.g. clinical coding.

The implementation of the new Electronic Patient Record is proceeding as planned. This system provides front end functionality for managing both waiting lists and referral to treatment pathways. As

Accountability Report: Corporate Governance Report

part of the implementation process for services the data being migrated for patient related information includes current waiting list information. This data is validated as part of the migration strategy for that particular service area.

Review of effectiveness

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

Review of the effectiveness of risk management and internal control

The Head of Internal audit provides an opinion on the effectiveness of the System of Internal Control.

The opinion for 2018/19 is: The organisation has an adequate and effective framework for risk management, governance and internal control.

However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

The opinion highlights 6areas where further work is necessary:

- Business Continuity Planning
- Electronic Patient Records System (RIO)
- Role Specific Essential Training
- Bank and Agency
- Annual Leave
- Rostering

For these reports the Trust has accepted the recommendations made by auditors and has put in place action plans to address the control issues. These recommendations are tracked for completion and re-audited where appropriate.

The systems for providing assurance that risks are being managed effectively are monitored by the Audit Committee. Assurance sources include:

- Audit Committee programmes and reviews
- Internal and External Audits
- Counter Fraud and Security Management
- Risk Management Reports

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- Staff and Patient Surveys
- Clinical Audit Reports
- CQC Self-Assessment, inspections and reviews
- Counter Fraud Reports
- Management Reports
- Performance and Quality Reports
- Review of Governance Arrangements
- Ensuring that policies and procedures are embedded and acted on locally

The above and any other sources of assurance are reviewed by the Trust Board, Audit Committee, Resources and Performance Committee, Quality and Safety Committee and individual members of staff who contribute to the system for internal control.

Following review of the above the Audit Committee has confirmed that there is an effective risk management process in place.

A review of the NHS Improvement well led framework was undertaken in January 2019 by Niche Consulting. Recommendations resulting from this review will be considered and implemented during 2019/20.

The Care Quality Commission (CQC) inspected the Trust in the first quarter of 2019. At the time of formulating this statement the final report is awaited. It is hoped that the Trusts rating will be above "requires improvement". No significant issues were raised, where feedback was given this has been immediately acted on. This has included reviewing the monitoring of departmental risk registers and improving the visibility of links between the Corporate Risk Register and the Board Assurance Framework.

CQC also carried out a joint inspection with HM Inspector of Prisons of Stoke Heath Prison. CQC issued a requirement notice for the provision of additional emergency equipment and improvements to medicines management. Actions have been taken to remedy these requirements.

Conclusion

No significant control issues have been identified for the year ended 31st March 2019

Jan Ditheridge
Chief Executive

23 May 2019

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Trust Accounts Consolidation (TAC) Summarisation Schedules for Shropshire Community Health NHS Trust for the year ended 31 March 2019

Summarisation schedules numbers TAC01 to TAC34 and accompanying WGA sheets for 2018/19 have been completed and this certificate accompanies them.

Finance Director Certificate

1. I certify that the attached TAC schedules have been compiled and are in accordance with:
   - the financial records maintained by the NHS trust
   - accounting standards and policies which comply with the Department of Health and Social Care's Group Accounting Manual and
   - the template accounting policies for NHS trusts issued by NHS Improvement, or any deviation from these policies has been fully explained in the Confirmation questions in the TAC schedules.
2. I certify that the TAC schedules are internally consistent and that there are no validation errors.
3. I certify that the information in the TAC schedules is consistent with the financial statements of the NHS Trust.

Sarah Lloyd
Director of Finance

23 May 2019

Chief Executive Certificate

1. I acknowledge the attached TAC schedules, which have been prepared and certified by the Director of Finance, as the TAC schedules which the Trust is required to submit to NHS Improvement.
2. I have reviewed the schedules and agree the statements made by the Director of Finance above.

Jan Ditheridge
Chief Executive

23 May 2019

Accountability Report: Corporate Governance Report

Modern Slavery Act 2015 – Annual Statement for 2018/19

Background

The Modern Slavery Act was passed into UK law on 26th March 2015. The Act introduces offences relating to holding another person in slavery, servitude and forced or compulsory labour and about human trafficking. It also makes provision for the protection of victims.

Organisations such as Shropshire Community Health NHS Trust, that supply goods or services, and have a total turnover of £36m or more are required under Part 6, (Transparency in supply chains), to publish an annual statement setting out the steps that they have taken to ensure that slavery and human trafficking do not exist in their business OR their supply chains.

Shropshire Community Health NHS Trust

Shropshire Community Health NHS Trust provides community health services from well over 50 bases within Shropshire and the West Midlands.

We are committed to ensuring that there is no modern slavery or human trafficking in any part of our activity and requiring our suppliers to subscribe to a similar ethos. Any incidence will be acted upon immediately, and any required local or national reporting carried out.

All consumable goods and most contracts are purchased through Shropshire Healthcare Procurement Service (SHPS), a consortium of Shropshire healthcare providers, hosted by the Shrewsbury and Telford Hospitals NHS Trust.

Estates maintenance services are provided by South Staffordshire and Shropshire Healthcare NHS Foundation Trust for Trust properties, with the exception of some larger properties shared with multiple healthcare providers which are managed by NHS Property Services.

Arrangements in place

Procurement: All contracts established by Shropshire Healthcare Procurement Service (SHPS use either NHS Framework Agreements for the Supply of Goods and Services, the NHS Terms and Conditions for Supply of Goods, or the NHS Terms for Supply of services. All have Anti-Slavery clauses, which require providers/contractors to comply with Law and Guidance, use Industry Good Practice and to notify the authority if they become aware of any actual or suspected incident of slavery or human trafficking.

In addition to the above SHPS will investigate any concern raised with the service. This could be by national or local media publicity, through supply chain contacts or by individuals.

Estates: Midlands Partnership NHS Foundation Trust, our provider of estates services, have produced a statement regarding slavery setting out measures they have in place to ensure that slavery and trafficking do not exist in their activity.

Employment: As an NHS Employer we are required to comply with the NHS employment check standard for all directly recruited staff.

Accountability Report: Corporate Governance Report

The six checks which make up the NHS Employment Check Standards are:

1. Verification of identity checks
2. Right to work checks
3. Professional registration and qualification checks
4. Employment history and reference checks
5. Criminal record checks
6. Occupational health checks

No individual is permitted to commence employment with the Trust without these checks having been completed. The checks are carried out centrally by the recruitment team and recorded on the Trust workforce information system (ESR).

All recruiting managers are trained in safer recruitment practices. Where other staffing methods (e.g. agency) are used, contracts include a requirement to comply with the NHS employment check standard.

Training and Awareness:

All Shropshire Healthcare Procurement Service (SHPS) staff have, or are working towards, professional purchasing qualifications.

The issues relating to Modern Slavery have been raised through articles in the Trust staff magazine Inform and by other briefing mechanisms. These will be repeated periodically. If staff have concerns about the supply chain or any other suspicions related to modern slavery they will be encouraged to raise these concerns through line management and report the issues to appropriate agencies. This will be raised particularly with clinical staff that may be in contact with vulnerable people.

Conclusion

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 March 2019.

Jan Ditheridge

Jan Ditheridge
Chief Executive

23 May 2019

Accountability Report: Corporate Governance Report

Remuneration Report

This report describes the remuneration of Very Senior Managers (VSM) at the Trust, namely members of the Board.

The remuneration of the Chair and Non-Executive Directors is determined during the year by NHS Improvement (NHSI), which is responsible for non-executive appointments to NHS trusts on behalf of the Secretary of State for Health.

Remuneration of the Chief Executive and Trust Directors takes place within the interim *Guidance on Pay for Very Senior managers in NHS Trusts and Foundation Trusts*, issued February 2018.

The combined population of Shropshire and Telford & Wrekin is used as a guide for setting the salary of the Chief Executive. Other VSM salaries are determined as a proportion of the Chief Executive salary as defined in the *Guidance*, although flexibility is exercised in recruiting to hard-to-fill director posts. VSM salaries are scrutinised and approved by the Nomination, Appointments and Remuneration Committee (more details about this committee can be found in the Corporate Governance Report).

Performance review and appraisal of the Chair was undertaken during the year by the Chair of NHSI on behalf of the Secretary of State for Health in accordance with appraisal guidance provided by the NHSI. Performance review and appraisal of Non-Executive Directors is carried out by the Chair with guidance provided by NHSI. Performance review and appraisal of the Chief Executive is carried out by the Trust Chair in accordance with criteria set by the Remuneration Committee and guidance from the Department of Health. Performance review and appraisal of Directors is carried out by the Chief Executive in accordance with criteria set by the Remuneration Committee and guidance from the Department of Health.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid Director/Member in their organisation and the median remuneration of the organisation's workforce. The information provided on 'pay multiples' is subject to audit.

The banded remuneration of the highest paid Director/Member in Shropshire Community Health NHS Trust in the financial year 2018/19 was £137,500* (2017/18 - £132,500). This was 4.7 times (2017/18 - 4.6) the median remuneration of the workforce, which was £29,177 (2017/18 - £28,746).

(*Banded remuneration is the mid-point between £135,000 and £140,000, which is the band within which the remuneration of the highest paid Director falls).

In 2018/19, one (2017/18, one) employee received remuneration in excess of the highest paid Director/Member. Remuneration ranged from £17,460 to £151,078 (2017/18 £15,404 - £161,403). The total remuneration of the highest paid employee fell in 2018/19 because the member of staff ceased the Medical Director element of their role during the year.

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

More detail about the salary and pension entitlements for the Trust's VSMs for the year 2018/19 can be found in the Annual Accounts section of this report.

Accountability Report: Corporate Governance Report

Senior Manager Remuneration

The table below shows details about remuneration for 2018/19 (this information is subject to audit).

Remuneration : 2018/19

Name and title	Dates in Post	Salary (bands of £5,000)	Taxable expense payments (to nearest £100)	Performance pay & bonuses (bands of £5,000)	Long term performance pay/bonuses (bands of £5,000)	All pension related benefits (bands of £2,500)	Total (bands of £5,000)
		£000	£00	£000	£000	£000	£000
Jan Ditheridge (Chief Executive)	01/04/18-31/03/19	135-140				35.0-37.5	170-175
Ros Preen (Director of Finance and Strategy)	01/04/18-31/03/19	110-115				20.0-22.5	130-135
Mahadeva Ganesh (Medical Director)	01/04/18 - 30/09/18	70-75				0	70-75
Jane Povey (Medical Director)	15/10/18 - 31/03/19	40-45				67.5-70.0	105-110
Steve Gregory (Director of Nursing & Ops)	01/04/18-31/03/19	105-110				0	105-110
Julie Thornby (Director of Corporate Affairs)	01/04/18 - 22/01/19	75-80				0	75-80
Sarah Lloyd (Associate Director of Finance)	01/11/18 - 31/03/19	40-45				25.0-27.5	65-70
Jaki Lowe (Director of People)	04/03/19 - 31/03/19	5-10				0.0-2.5	5-10
Mike Ridley (Chairman)	01/04/18 - 15/02/19	15-20					15-20
Nuala O'Kane (Chairman)	16/02/19 - 31/03/19	0-5					0-5
Rolf Levesley (Non-Executive Director)	01/04/18 - 24/05/18	0-5					0-5
Peter Phillips (Non-Executive Director)	01/04/18-31/03/19	5-10					5-10
Nuala O'Kane (Non-Executive Director)	01/04/18 - 15/02/19	5-10					5-10
Steve Jones (Non-Executive Director)	01/04/18 - 26/07/18	0-5					0-5
Harmesh Darbhanga (Non-Executive Director)	12/11/18 - 31/03/19	0-5					0-5
Peter Featherstone (Non-Executive Director)	12/11/18 - 31/03/19	0-5					0-5
Tina Long (Non-Executive Director)	12/11/18 - 31/03/19	0-5					0-5

Notes

1. All pension related benefits comprises the NHS Pensions Agency assessment of future pension benefits, excluding inflation, less employee contributions.
2. There was no remuneration waived by directors or allowances paid in lieu to directors in 2018/19.
3. There were no payments/awards to past directors, or compensation on early retirement or loss of service.
4. The remuneration for Mahadeva Ganesh includes his clinical medical consultant role (£40-45k) as well as his Medical Director Board position (£30-35k).

Accountability Report: Corporate Governance Report

The table below shows details about remuneration for 2017/18 (this information is subject to audit).

Remuneration : 2017/18

Name and title	Salary (bands of £5,000)	Taxable expense payments (to nearest £100)	Performance pay & bonuses (bands of £5,000)	Long term performance pay/bonuses (bands of £5,000)	All pension related benefits (bands of £2,500)	Total (bands of £5,000)
	£000	£00	£000	£000	£000	£000
Jan Ditheridge (Chief Executive)	130-135				17.5-20	150-155
Ros Preen (Director of Finance)	110-115				22.5-25	130-135
Mahadeva Ganesh (Medical Director)	160-165				67.5-70	230-235
Steve Gregory (Director of Nursing & Operations)	100-105				(12.5)-(15)	85-90
Julie Thornby (Director of Corporate Affairs)	85-90				32.5-35	120-125
Mel Duffy (Director of Strategy)	80-85				35-37.5	115-120
Mike Ridley (Chairman)	20-25					20-25
Rolf Levesley (Non-Executive)	5-10					5-10
Peter Phillips (Non-Executive)	5-10					5-10
Nuala O'Kane (Non-Executive)	5-10					5-10
Steve Jones (Non-Executive)	5-10					5-10

Notes

1. All pension related benefits comprises the NHS Pensions Agency assessment of future pension benefits, excluding inflation, less employee contributions.

2. There was no remuneration waived by directors or allowances paid in lieu to directors in 2017/18.

3. There were no payments/awards to past directors, or compensation on early retirement or loss of service.

4. The remuneration for Mahadeva Ganesh includes his clinical medical consultant role (£95-100k) as well as his Medical Director Board position (£65-70k).

5. Mel Duffy left the employment of the Trust on 23rd February 2018.

Accountability Report: Remuneration and Staff Report

Pension Entitlements

The table below shows information about pension entitlements (this information is subject to audit).

Pension entitlements 2018/19

Name and title	Dates in Post	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2019 (bands of £5,000)	Lump sum at pension age re accrued pension at 31 March 2019 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2018	Cash Equivalent Transfer Value at 31 March 2019	Real increase in Cash Equivalent Transfer Value
		£000	£000	£000	£000	£000	£000	£000
Jan Ditheridge (Chief Executive)	01/04/18-31/03/19	0.0-2.5	5.0-7.5	50-55	160-165	1,082	1,276	141
Ros Preen (Director of Finance and Strategy)	01/04/18-31/03/19	0.0-2.5	0	35-40	85-90	567	683	84
Mahadeva Ganesh (Medical Director)	01/04/18 - 30/09/18	0	0	35-40	115-120	923	0	N/A
Jane Povey (Medical Director)	15/10/18 - 31/03/19	2.5-5.0	7.5-10.0	20-25	65-70	349	467	101
Steve Gregory (Director of Nursing & Ops)	01/04/18-31/03/19	0.0-2.5	0.0-2.5	50-55	155-160	955	1,111	113
Julie Thornby (Director of Corporate Affairs)	01/04/18 - 22/01/19	0	0	30-35	100-105	759	0	N/A
Sarah Lloyd (Associate Director of Finance)	01/11/18 - 31/03/19	0.0-2.5	0.0-2.5	25-30	60-65	361	470	39
Jaki Lowe (Director of People)	04/03/19 - 31/03/19	0.0-2.5	0	5-10	0-5	84	118	2

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

2. There are no additional benefits that will become receivable by the individual if they retire early.

3. There were no employer's contributions to stakeholder pensions.

4. Both Mahadeva Ganesh and Julie Thornby are now over Normal Pension Age (NPA) hence Cash Equivalent Transfer Value (CETV) is not shown.

5. Jane Povey commenced her role in year however she has not been in office since 2013 and hence all of her real increase relates to this employment.

6. Sarah Lloyd commenced her role as Associate Director of Finance on the 1st November 2018 the real increase is only for the proportion relating to this post.

7. Jaki Lowe commenced employment on the 4th March 2019 the real increase is only for the proportion relating to this post.

8. **Cash Equivalent Transfer Values:** A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's (or other allowable beneficiary's) pension payable from the scheme. CETVs are calculated in accordance with SI 2008 No.1050 *Occupational Pension Schemes (Transfer Values) Regulations 200823*.

9. **Real Increase in CETV:** This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Accountability Report: Renumeration and Staff Report

Staff Report

We employ nearly 1,600 people who provide a wide range of services from locations across Shropshire, Telford & Wrekin and surrounding areas.

This report provides information about the make-up of our workforce, which at the end of the year 2018/19 had a headcount of 1,585.

	Female		Male		All	
	FTE	Headcount	FTE	Headcount	FTE	Headcount
Directors	4.64	5	4	4	9.5	9
Senior Managers	40.9	48	18.1	19	61.8	67
Band 8A	26.8	33	11.1	12	40.5	45
Band 8B	6.4	7	6.0	6	11.6	13
Band 8C	6.9	7	1.0	1	8.9	8
Band 8D	0.8	1	0.0	0	0.8	1
Band 9	1.0	1	0.0	0	0.8	1
Other Staff	1017.2	1311	107.0	130	1128.9	1441
All Employees	**1104.7**	**1413**	**147.2**	**172**	**1251.8**	**1585**

Staff Numbers

Average number of employees (WTE basis)

	Permanent Number	Other Number	2018/19 Total Number
Medical and dental	24	2	**26**
Ambulance staff	-	-	**-**
Administration and estates	339	9	**348**
Healthcare assistants and other support staff	210	29	**239**
Nursing, midwifery and health visiting staff	480	41	**521**
Nursing, midwifery and health visiting learners	-	-	**-**
Scientific, therapeutic and technical staff	181	7	**188**
Healthcare science staff	2	-	**2**
Social care staff	-	-	**-**
Other	5	1	**6**
Total average numbers	**1,241**	**89**	**1,330**

Accountability Report: Renumeration and Staff Report

Staff Costs (the analysis of staff costs below is subject to audit)

Staff costs

	Permanent	Other	2018/19 Total
	£000	£000	£000
Salaries and wages	40,163	970	**41,133**
Social security costs	3,427	-	**3,427**
Apprenticeship levy	182	-	**182**
Employer's contributions to NHS pensions	5,396	-	**5,396**
Pension cost - other	6	-	**6**
Other post employment benefits	-	-	**-**
Other employment benefits	-	-	**-**
Termination benefits	-	-	**-**
Temporary staff	-	2,607	**2,607**
Total gross staff costs	**49,174**	**3,577**	**52,751**
Recoveries in respect of seconded staff	-	-	**-**
Total staff costs	**49,174**	**3,577**	**52,751**

Staff Sickness Absence

Total Days Lost	14,533
Total Staff Years	1,221
Average Working Days Lost	11.9

The staff sickness absence data relates to the calendar year Jan-Dec 2018. The figures are provided to the Trust via NHS Digital's 'Sickness Absence and Workforce Publication', which is based on data from the ESR Data Warehouse.

Diversity & Inclusion

We have developed an Equality, Diversity and Human Rights Strategy with our staff, patients and volunteers. One of our key objectives is to grow diversity support networks for staff. To date, we have offered staff from particular protected characteristics the opportunity to share their experiences through listening events and an event that was facilitated by Yvonne Coghill, Director - Workforce Race Equality Standard Implementation, NHS England. The information gathered from these events will help us formulate next steps.

Our Human Resources policies are developed with our values in mind and in particular our Safer Recruitment Policy and supporting management training is designed to eliminate discrimination on all grounds, which include disability. The policy includes the following provisions:

- Guaranteed interview if declaring a disability and meet the essential criteria of the job specification.
- Any required adaptations for interview are made.
- Values-based recruitment. (the training for Values based interviewing includes unconscious bias)
- In terms of continued employment we make every effort to retain employees if they are disabled or become disabled. The Managing Attendance policy promotes reasonable adjustments for individuals as required.

Our Policy and Procedure on Equality and Diversity 'Everyone Counts' explains how the Trust will not discriminate against any member of staff with regards to training, promotion and career development.

We continue to run diversity- and inclusion-focussed feedback and awareness sessions. These involve volunteers and representatives from protected characteristic groups. These include service visits and observations. We also run a number of initiatives focussed on volunteers and service users with dementia.

Accountability Report: Renumeration and Staff Report

Trade Union Facility Time

Table 1
Relevant union officials

What was the total number of your employees who were relevant union officials during the relevant period?

Number of employees who were relevant union officials during the relevant period	*Full-time equivalent employee number*
12	10.03

Table 2
Percentage of time spent on facility time
How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

Percentage of time	*Number of employees*
0%	1
1-50%	11
51%-99%	0
100%	0

Table 3
Percentage of pay bill spent on facility time
Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

First Column	*Figures*
Provide the total cost of facility time	*£19,140*
Provide the total pay bill	*£53,005,621*
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	*0.04%*

Table 4
Paid Trade Union activities
As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

Time spent on paid trade union activities as a percentage of total paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	*7.88%*

Accountability Report: Renumeration and Staff Report

Off-Payroll Arrangements

The table below shows arrangements that the Trust had during the year with individuals who provided services for which they were paid on a self-employed basis or through their own companies. Employment through agencies is not included. Only arrangements lasting six months or more, with a value of more than £245 per day, are shown.

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

The standard contract for self-employed workers contains binding clauses requiring the contractor to comply with all relevant statutes and regulations relating to income tax and national insurance contributions in respect of fees paid by the Trust, and indemnifying the Trust against any liabilities incurred in respect of such contributions. It also requires the contractor to demonstrate to the Trust his/her compliance with such legislation on request.

The contractor's agreement to these terms is judged to constitute an appropriate level of risk assessment and management.

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 March 2019, for more than £245 per day and that last for longer than six months

	Number
No. of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	1
Of which...	
No. assessed as caught by IR35	1
No. assessed as not caught by IR35	0
No. engaged directly (via PSC contracted to department) and are on the departmental payroll	1
No. of engagements reassessed for consistency / assurance purposes during the year.	1
No. of engagements that saw a change to IR35 status following the consistency review	0

Accountability Report: Renumeration and Staff Report

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 no. 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 must include both on payroll and off-payroll engagements.	0 off-payroll 16 on payroll

There are no off-payroll arrangements for Board members. There are currently 11 Board members as set out earlier in this report. The disclosure above showing 16 individuals reflects changes during the year where five officers held post for part of the year.

Exit Packages

The information relating to Exit Packages is subject to audit. Redundancy and other departure costs are paid in accordance with the provisions of NHS Agenda for Change rules on pay. Exit costs are accounted for in full in the year of departure. Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS Pensions scheme. Ill-health retirement costs are met by the NHS Pensions scheme. In both financial years 2018/19 and 2017/18 the Trust has not agreed or made payment for any exit packages.

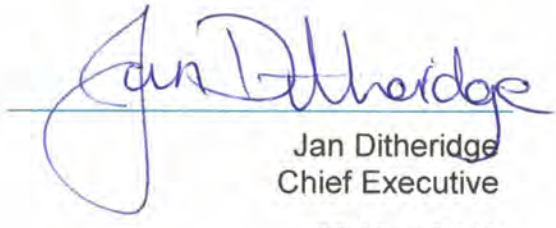
Other departures

A single exit package can be made up of several components each of which need to be counted for separately. The Remuneration Report would include disclosures of exit payments payable to individuals.

However, as explained the Trust has had no expenditure on exit packages in both 2018/19 and 2017/18. Hence, there were no non-contractual payments made to individuals where the payment value was more than 12 months of their annual salary.

Expenditure on Consultancy

Expenditure on consultancy totalled £74,000 for 2018/19, compared to £137,000 for 2017/18. The largest expenditure was £53,000 for support with Corporate Governance and Well-led self-assessment.



Jan Ditheridge
Chief Executive

23 May 2019

Independent auditor's report to the Directors of Shropshire Community Health NHS Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Shropshire Community Health NHS Trust (the 'Trust') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2018-19.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2019 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2018-19; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does

not comply with the guidance issued by NHS Improvement or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2018-19 and the requirements of the National Health Service Act 2006; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust gained through our work in relation to the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we 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; or
- we make a written recommendation to the Trust under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit.

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

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

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

In preparing the financial statements, the Directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 Audit Committee is Those Charged with Governance. Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

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

Responsibilities of the Accountable Officer

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

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

We are required under Section 21(1)(c) and Schedule 13 paragraph 10(a) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, as to whether in all significant respects, the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019, and to report by exception where we are not satisfied.

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

Report on other legal and regulatory requirements – Certificate

We certify that we have completed the audit of the financial statements of Shropshire Community Health NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

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

Grant Patterson

Grant Patterson, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham Office, The Colmore Building, 20 Colmore Circus, Birmingham B4 6AT

24 May 2019

Shropshire Community Health NHS
NHS Trust

Annual accounts for the year ended 31 March 2019

Statement of Comprehensive Income the year ended 31 March 2019

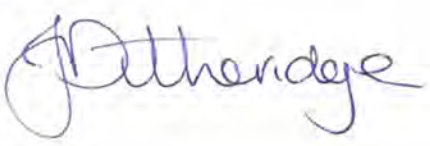
	Note	2018/19 £000	2017/18 £000
Operating income from patient care activities	3	75,915	72,473
Other operating income	4	5,027	5,388
Operating expenses	5, 7	(78,173)	(74,248)
Operating surplus/(deficit) from continuing operations		**2,769**	**3,613**
Finance income	10	74	28
Finance expenses		0	0
PDC dividends payable		(631)	(602)
Net finance costs		**(557)**	**(574)**
Other gains / (losses)	11	(36)	3
Share of profit / (losses) of associates / joint arrangements		0	0
Gains / (losses) arising from transfers by absorption		0	0
Corporation tax expense		0	0
Surplus / (deficit) for the year from continuing operations		**2,176**	**3,042**
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations		**0**	**0**
Surplus / (deficit) for the year		**2,176**	**3,042**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments		0	0
Revaluations	16.1	(2,373)	2,607
Share of comprehensive income from associates and joint ventures		0	0
Fair value gains/(losses) on equity instruments designated at fair value through OCI		0	0
Other recognised gains and losses		0	0
Remeasurements of the net defined benefit pension scheme liability / asset		0	0
Other reserve movements		0	0
May be reclassified to income and expenditure when certain conditions are met:			
Fair value gains/(losses) on financial assets mandated at fair value through OCI		0	0
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI		0	0
Foreign exchange gains / (losses) recognised directly in OCI		0	0
Total comprehensive income / (expense) for the period		**(197)**	**5,649**

The notes on pages 7 to 43 form part of this account.

Statement of Financial Position as at 31 March 2019

	Note	31 March 2019 £000	31 March 2018 £000
Non-current assets			
Intangible assets	12	84	0
Property, plant and equipment	13	24,451	27,142
Investment property		0	0
Investments in associates and joint ventures		0	0
Other investments / financial assets		0	0
Receivables	18	84	72
Other assets		0	0
Total non-current assets		**24,619**	**27,214**
Current assets			
Inventories	17	417	296
Receivables	18	4,789	5,549
Other investments / financial assets		0	0
Other assets		0	0
Non-current assets held for sale / assets in disposal groups		0	0
Cash and cash equivalents	19	12,067	8,667
Total current assets		**17,273**	**14,512**
Current liabilities			
Trade and other payables	20	(7,741)	(7,782)
Borrowings		0	0
Other financial liabilities		0	0
Provisions	21	(270)	(4)
Other liabilities			0
Liabilities in disposal groups		0	0
Total current liabilities		**(8,011)**	**(7,786)**
Total assets less current liabilities		**33,881**	**33,940**
Non-current liabilities			
Trade and other payables		0	0
Borrowings			0
Other financial liabilities		0	0
Provisions		0	0
Other liabilities		0	0
Total non-current liabilities		**0**	**0**
Total assets employed		**33,881**	**33,940**
Financed by			
Public dividend capital		727	589
Revaluation reserve		6,837	9,210
Financial assets reserve		0	0
		0	0
Merger reserve		0	0
Income and expenditure reserve		26,317	24,141
Total taxpayers' equity		**33,881**	**33,940**

The notes on pages 7 to 43 form part of these accounts.

Chief Executive:  **Date:** 23-05-19

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	**589**	**9,210**	**24,141**	**33,940**
Impact of implementing IFRS 15 on 1 April 2018	0	0	0	**0**
Impact of implementing IFRS 9 on 1 April 2018	0	0	0	**0**
Surplus/(deficit) for the year	0	0	2,176	**2,176**
Transfers by absorption: transfers between reserves	0	0	0	**0**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	0	0	0	**0**
Other transfers between reserves	0	0	0	**0**
Impairments	0	0	0	**0**
Revaluations	0	(2,373)	0	**(2,373)**
Transfer to retained earnings on disposal of assets	0	0	0	**0**
Share of comprehensive income from associates and joint ventures	0	0	0	**0**
Fair value gains/(losses) on financial assets mandated at fair value through OCI	0	0	0	**0**
Fair value gains/(losses) on equity instruments designated at fair value through OCI	0	0	0	**0**
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	0	0	0	**0**
Foreign exchange gains/(losses) recognised directly in OCI	0	0	0	**0**
Other recognised gains and losses	0	0	0	**0**
Remeasurements of the defined net benefit pension scheme liability/asset	0	0	0	**0**
Public dividend capital received	138	0	0	**138**
Public dividend capital repaid	0	0	0	**0**
Public dividend capital written off	0	0	0	**0**
Other movements in public dividend capital in year	0	0	0	**0**
Other reserve movements	0	0	0	**0**
Taxpayers' equity at 31 March 2019	**727**	**6,837**	**26,317**	**33,881**

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	**589**	**6,613**	**21,089**	**28,291**
Prior period adjustment	0	0	0	**0**
Taxpayers' equity at 1 April 2017 - restated	**589**	**6,613**	**21,089**	**28,291**
Surplus/(deficit) for the year	0	0	3,042	**3,042**
Transfers by absorption: transfers between reserves	0	0	0	**0**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	0	0	0	**0**
Other transfers between reserves		0	0	**0**
Impairments	0	0	0	**0**
Revaluations	0	2,607	0	**2,607**
Transfer to retained earnings on disposal of assets	0	(10)	10	**0**
Share of comprehensive income from associates and joint ventures	0	0	0	**0**
Fair value gains/(losses) on available-for-sale financial investments	0	0	0	**0**
Recycling gains/(losses) on available-for-sale financial investments	0	0	0	**0**
Foreign exchange gains/(losses) recognised directly in OCI	0	0	0	**0**
Other recognised gains and losses	0	0	0	**0**
Remeasurements of the defined net benefit pension scheme liability/asset	0	0	0	**0**
Public dividend capital received	0	0	0	**0**
Public dividend capital repaid	0	0	0	**0**
Public dividend capital written off	0	0	0	**0**
Other movements in public dividend capital in year	0	0	0	**0**
Other reserve movements	0	0	0	**0**
Taxpayers' equity at 31 March 2018	**589**	**9,210**	**24,141**	**33,940**

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 for the year ended 31 March 2019

	Note	2018/19 £000	2017/18 £000
Cash flows from operating activities			
Operating surplus / (deficit)		2,769	3,613
Non-cash income and expense:			
Depreciation and amortisation	5	1,895	1,603
Net impairments	6	267	0
Income recognised in respect of capital donations	4	(78)	(381)
Amortisation of PFI deferred credit		0	0
Non-cash movements in on-SoFP pension liability		0	0
(Increase) / decrease in receivables and other assets		776	(2,340)
(Increase) / decrease in inventories		(121)	(24)
Increase / (decrease) in payables and other liabilities		325	1,585
Increase / (decrease) in provisions		266	(283)
Tax (paid) / received		0	0
Operating cash flows from discontinued operations		0	0
Other movements in operating cash flows		0	0
Net cash generated from / (used in) operating activities		**6,099**	**3,773**
Cash flows from investing activities			
Interest received		71	25
Purchase and sale of financial assets / investments		0	0
Purchase of intangible assets		0	0
Sales of intangible assets		0	0
Purchase of property, plant, equipment and investment property		(2,314)	(2,457)
Sales of property, plant, equipment and investment property		0	3
Receipt of cash donations to purchase capital assets		78	381
Prepayment of PFI capital contributions		0	0
Investing cash flows of discontinued operations		0	0
Cash movement from acquisitions / disposals of subsidiaries		0	0
Net cash generated from / (used in) investing activities		**(2,165)**	**(2,048)**
Cash flows from financing activities			
Public dividend capital received		138	0
Public dividend capital repaid		0	0
Movement on loans from the Department of Health and Social Care		0	0
Movement on other loans		0	0
Other capital receipts		0	0
Capital element of finance lease rental payments		0	0
Capital element of PFI, LIFT and other service concession payments		0	0
Interest on loans		0	0
Other interest		0	0
Interest paid on finance lease liabilities		0	0
Interest paid on PFI, LIFT and other service concession obligations		0	0
		(672)	(589)
Financing cash flows of discontinued operations		0	0
Cash flows from (used in) other financing activities		0	0
Net cash generated from / (used in) financing activities		**(534)**	**(589)**
Increase / (decrease) in cash and cash equivalents		**3,400**	**1,136**
Cash and cash equivalents at 1 April - brought forward		**8,667**	**7,531**
Prior period adjustments			0
Cash and cash equivalents at 1 April - restated		**8,667**	**7,531**
Cash and cash equivalents transferred under absorption accounting		0	0
Unrealised gains / (losses) on foreign exchange		0	0
Cash and cash equivalents at 31 March	19	**12,067**	**8,667**

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 1.2 Going concern

These accounts have been prepared on a going concern basis.
Management has assessed that the Trust's position supports the production of the annual accounts on a going concern basis. Consideration in reaching this judgement covers historic, current and planned financial performance, contracts, business development and long- term sustainability of services.

Note 1.3 Charitable Funds

Under the provisions of IFRS 10 Consolidated Financial Statements, those charitable funds that fall under common control with NHS Trusts are consolidated within the entity's financial statements. As the Trust is the corporate trustee of the linked NHS Charity (Shropshire Community Health NHS Trust General Charitable Fund), it effectively has the power to exercise control so as to obtain economic benefits. However the balance and transactions are immaterial in the context of the group and transactions have not been consolidated. Details of the transactions with the charity are included in Note 27: related party transactions.

Note 1.4 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.

Notes to the Accounts

Notes to the Accounts - 1 Accounting policies and other information (continued)

The Trust has a very small number of contracts that cross financial years with the vast majority of income and performance obligations satisfied in year. Performance obligations are invoiced on a monthly basis with 30 day credit terms and hence the contract balances at year end mainly relate to obligations completed in March.

The only performance obligations the Trust has at year end relate to incomplete spells and the Provider Sustainability Fund (PSF).

Incomplete spells relate to the Telford Musculoskeletal Service (TeMS), where payment is received upfront before the performance obligation has been carried out. Income is only recognised to the extent the obligation has been satisfied. Payments above this are deferred and recorded as a contract liability. The Provider Sustainability Fund performance obligations relate to financial controls and performance targets. This is a variable consideration under IFRS 15 and the Trust estimates the amount of consideration it is entitled to for the final quarter's performance and records a contract asset at year end.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this in the transaction price and derecognises the relevant portion of income.

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.

Education and training

The Trusts main source of education and training income is for Non Medical Education Training (NMET) from Health Education England to backfill staff on training. The performance obligation is satisfied over time and the income is recognised on notification from Health Education England from returns provided by the Trust. The income is measured at an agreed tariff for the backfill of staff.

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.

Notes to the Accounts

Notes to the Accounts - 1 Accounting policies and other information (continued)

Note 1.5 Expenditure on employee benefits

Short-term employee benefits
Salaries, wages and employment-related payments 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 benefit costs

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 schemes are accounted for as though they are defined contribution schemes: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. 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 1.6 Expenditure on other goods and services

Other operating expenses are recognised when, and to the extent that, the goods or services have been received, with the exception of lease car rentals which are recognised when the annual rental is due. They are measured at the fair value of the consideration payable.

Note 1.7 Property, plant and equipment

Note 1.7.1 Recognition
Property, plant and equipment is capitalised where:
- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably

- 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, or
- Initial equipping and setting-up items of a new building, ward or unit, irrespective of their individual or collective cost.

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

Notes to the Accounts

Notes to the Accounts - 1 Accounting policies and other information (continued)

Note 1.7.2 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 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.

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. Alternative sites have not been valued for this Trust.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences 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. Where a piece of equipment has a life of more than 10 years and a net book value in excess of £30,000 it is indexed using the inflation figure quoted in the NHS planning guidance for the year.

Subsequent expenditure

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

Depreciation

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

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

Notes to the Accounts

Notes to the Accounts - 1 Accounting policies and other information (continued)

Revaluation gains and losses

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

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

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

Impairments

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

(i) the impairment charged to operating expenses; and

(ii) the balance in the revaluation reserve attributable to that asset before the impairment.

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

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

Note 1.7.3 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 i.e.:

o management are committed to a plan to sell the asset

o an active programme has begun to find a buyer and complete the sale

o the asset is being actively marketed at a reasonable price

o the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and

o 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.

Notes to the Accounts

Notes to the Accounts - 1 Accounting policies and other information (continued)

Note 1.7.4 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 1.8 Intangible assets

Note 1.8.1 Recognition

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

The Trust has no internally generated intangible assets.

Software
Software which is integral to the operation of hardware, e.g. 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, e.g. application software, is capitalised as an intangible asset.

Note 1.8.2 Measurement

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

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

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

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

Notes to the Accounts

Notes to the Accounts - 1 Accounting policies and other information (continued)

Note 1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first-in, first-out (FIFO) method. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

Note 1.10 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 1.11 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, i.e., 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 and financial liabilities are classified and subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost
Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment. 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 as financing income or expense.

Notes to the Accounts

Notes to the Accounts - 1 Accounting policies and other information (continued)

Impairment of financial assets
For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

The GAM has adapted IFRS 9 so receivables from DHSC group bodies will not recognise stage 1 or stage 2 impairments. This is due to the fact DHSC will provide a guarantee of last resort against the debts of DHSC group bodies. Therefore, receivables relating to NHS bodies will not be impaired. With Non NHS debt the Trust will use the expected loss model of impairment. This model will use historical receivable information as at 31st March in previous years to compile expected loss rates. These expected loss rates will be applied to aged receivables at year end adjusting for any forward looking information available at this time to calculate the lifetime expected loss allowance as at the year end.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

Note 1.11.3 De-recognition

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

All Trust leases held are classified as operating leases.

Note 1.12.1 The Trust as lessee
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.

Note 1.12.2 The Trust as lessor
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.

Notes to the Accounts

Notes to the Accounts - 1 Accounting policies and other information (continued)

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.

The Trust has not applied the Treasury's discount rates because settlement of the provisions is expected within one year and the impact of discounting is not material.

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

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 21.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

Note 1.14 Contingencies

A contingent asset is a possible asset that arises from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control. A contingent asset is disclosed an inflow of economic benefits is probable.

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

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

Notes to the Accounts

Notes to the Accounts - 1 Accounting policies and other information (continued)

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

(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 (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 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.

Notes to the Accounts

Notes to the Accounts - 1 Accounting policies and other information (continued)

Note 1.18 Critical judgements in applying accounting policies

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

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The 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.

1. Determining whether substantially all the significant risks and rewards of ownership of leased assets have transferred to determine whether a lease is a finance lease or an operating lease.
2. Determining whether charitable funds are a subsidiary of the Trust, and whether they are material, to determine whether or not to consolidate.
3. Determining that the Electronic Patient Record (EPR) software is integral to the operation of the purchased hardware so is classed as a tangible asset.

Note 1.18.1 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

1. Land and buildings (£21m) are valued periodically by an external valuation specialist who makes assumptions concerning values, and estimates are also made concerning the remaining lives of these assets.

Note 1.19 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2018/19.

Note 1.20 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 2020-21, 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. The implementation of this standard has been deferred for the Department of Health and Social Care and will not apply until the financial year 2020/21. The distinction between operating leases and finance leases will cease, therefore the Trust's current operating leases over 1 year would need to be recognised on the balance sheet from 2020/21. There are potentially 33 building leases and 138 lease cars that will fall within the scope of IFRS 16; there is likely to be a material impact for the Trust upon adoption of this standard as current operating leases expenditure is £2.2m in 2018-19.

- 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.

1.21 Auditors Liability

The auditors liability under the other East of England framework subject to clause 13.1, 13.3 and 13.5 of schedule 2 of the standard framework, the total liability of each Party to the other under or in connection with this Framework Agreement whether arising in contract, tort, negligence, breach of statutory duty or otherwise shall be limited in aggregate to five hundred thousand GBP (£500,000).

Note 2 Operating segments

The Trust has one operating segment being healthcare services, this is in line with the organisations management reporting structure.

Note 3 Income from patient care activities

Note 3.1 Income from patient care activities (by source) :	2018/19 £000	2017/18 £000
NHS England	4,879	4,658
Clinical commissioning groups	59,363	56,861
Department of Health and Social Care	921	-
Other NHS providers	845	737
NHS other	-	-
Local authorities	8,947	9,327
Non-NHS: private patients	-	-
Non-NHS: overseas patients (chargeable to patient)	-	-
Injury cost recovery scheme	78	78
Non NHS: other	882	812
Total income from activities	**75,915**	**72,473**
Of which:		
Related to continuing operations	75,915	72,473

Note 3.2 Income from patient care activities (by nature):	2018/19 £000	2017/18 £000
Community services		
Income from CCGs and NHS England	64,242	61,519
Income from other sources (e.g. local authorities)	10,808	10,954
All trusts		
AfC pay award central funding	865	-
	75,915	**72,473**

Note 4 Other operating income

	2018/19 £000	2017/18 £000
Other operating income from contracts with customers:		
Research and development (contract)	9	9
Education and training (excluding notional apprenticeship levy income)	599	664
Non-patient care services to other bodies	78	81
Provider sustainability / sustainability and transformation fund income (PSF / STF)	2,350	2,253
Income in respect of employee benefits accounted on a gross basis	77	89
Other contract income	1,591	1,729
Other non-contract operating income		
Research and development (non-contract)	-	-
Education and training - notional income from apprenticeship fund	74	12
Receipt of capital grants and donations	78	381
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	171	170
Amortisation of PFI deferred income / credits	-	-
Other non-contract income	-	-
Total other operating income	**5,027**	**5,388**
Of which:		
Related to continuing operations	5,027	5,388

An additional analysis of significant items of income included in 18/19 Other contract income - £1,647k (17/18 £1,729k) : Property Rentals £231k (17/18 £210k), Catering £46k (17/18 £44k), DHSC HSCN Grant £0k (17/18 £143k), Local Authority Contributions to Running Costs £218k (17/18 £215k), Estates Recharge to Foundation Trust £275k (17/18 £229k), Occupational Health Income Generation Scheme £595k (17/18 £628K).

The PSF (Provider Sustainability Fund) is a mechanism to allocate centrally held support to NHS provider organisations, based on the achievement of a number of performance targets, both financial and activity based.

Note 5 Operating expenses

	2018/19 £000	2017/18 £000
Purchase of healthcare from NHS and DHSC bodies	2,201	2,356
Purchase of healthcare from non-NHS and non-DHSC bodies	-	-
Purchase of social care	-	-
Staff and executive directors costs	52,751	50,687
Remuneration of non-executive directors	46	48
Supplies and services - clinical (excluding drugs costs)	8,133	6,852
Supplies and services - general	589	592
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	1,006	898
Inventories written down	-	-
Consultancy costs	74	137
Establishment	2,121	2,174
Premises	4,782	4,533
Transport (including patient travel)	-	-
Depreciation on property, plant and equipment	1,895	1,603
Amortisation on intangible assets	-	-
Net impairments	267	-
Movement in credit loss allowance: contract receivables / contract assets	4	
Movement in credit loss allowance: all other receivables and investments	-	18
Increase/(decrease) in other provisions	266	-
Change in provisions discount rate(s)	-	-
Audit fees payable to the external auditor		
audit services- statutory audit	40	40
other auditor remuneration (external auditor only)	-	-
Internal audit costs	66	
Clinical negligence	126	180
Legal fees	225	353
Insurance	158	149
Research and development	-	-
Education and training	273	225
Rentals under operating leases	2,169	
Early retirements	-	-
Redundancy	-	-
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	-	-
Charges to operating expenditure for off-SoFP PFI / LIFT schemes	-	-
Car parking & security	59	58
Hospitality	5	7
Losses, ex gratia & special payments	4	3
Grossing up consortium arrangements	-	-
Other services, e.g. external payroll	264	264
Other	649	851
	78,173	**72,028**
Of which:		
Related to continuing operations	78,173	74,248

An additional analysis of significant items of expenditure included in 18/19 Other £649k (17/18 £851k): Ministry of Justice Bedwatch & Escort Scheme £496k (17/18 £344k), Care Quality Commission Subscription £56k (17/18 £159k), Other Organization Subscriptions £53K (17/18 £56K) Foundation Trust MSK £0k (17/18 £253k).
Audit fees are stated gross of VAT as irrecoverable.

Note 6 Impairment of assets

	2018/19 £000	2017/18 £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	267	-
Other	-	-
Total net impairments charged to operating surplus / deficit	**267**	**-**
Impairments charged to the revaluation reserve	-	
Total net impairments	**267**	**-**

The impairment relates to Buildings after a full asset revaluation was undertaken by District Valuer Services for March 2019. The majority of the decrease in valuation went through the revaluation reserve, however 5 Buildings did not have sufficient funds in the reserve and £267k was taken to expenditure. The Buildings this impairment relates to are: Ludlow Hospital (£161k), Newport Cottage Hospital (£92k), William Farr House (£10k), Wem Clinic (£3k) and Deercote (£1k).

Note 7 Employee benefits

	2018/19 Total £000	2017/18 Total £000
Salaries and wages	41,133	39,974
Social security costs	3,427	3,260
Apprenticeship levy	182	180
Employer's contributions to NHS pensions	5,396	5,204
Pension cost - other	6	3
Other post employment benefits	-	-
Other employment benefits	-	-
Termination benefits	-	-
Temporary staff (including agency)	2,607	2,066
Total gross staff costs	**52,751**	**50,687**
Recoveries in respect of seconded staff	-	-
Total staff costs	**52,751**	**50,687**
Of which		
Costs capitalised as part of assets	-	-

Note 7.1 Retirements due to ill-health

During 2018/19 there were 2 early retirements from the trust agreed on the grounds of ill-health (4 in the year ended 31 March 2018). The estimated additional pension liabilities of these ill-health retirements is £149k (£264k in 2017/18).

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

Note 8 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 for Health in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

Note 9 Operating leases

Note 9.1 Shropshire Community Health NHS Trust as a lessor

This note discloses income generated in operating lease agreements where Shropshire Community Health NHS Trust is the lessor.

There are 5 properties that the Trust leases out being Bridgnorth Health Centre with 86 years remaining, Wem Professional Centre 4.4 years remaining, Whitchurch GP surgery with 0.6 years remaining, Hadley Health Centre 0.25 years remaining and Bridgnorth Maternity Unit with no years remaining.

	2018/19 £000	2017/18 £000
Operating lease revenue		
Minimum lease receipts	171	170
Contingent rent	-	-
Other	-	-
Total	**171**	**170**

	31 March 2019 £000	31 March 2018 £000
Future minimum lease receipts due:		
- not later than one year;	81	91
- later than one year and not later than five years;	204	203
- later than five years.	3,640	3,690
Total	**3,925**	**3,984**

Note 9.2 Shropshire Community Health NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Shropshire Community Health NHS Trust is the lessee.

The most significant lease payments are to NHS Property Services. A number of premises used by the Trust transferred from local PCTs to NHS Property Services in 2013/14. Under DH guidance, the Trust was not permitted to own/lease these properties, mainly because they are non-clinical. Whilst no leases have yet been agreed with NHS Property Services, invoices have been received by the Trust and payments have been made.

The remaining building leases are for properties leased by the Trust directly, and other category is lease cars for staff.

	2018/19		Total	
	Buildings £000	Other £000	2018/19 £000	2017/18 £000
Operating lease expense				
Minimum lease payments	**1,694**	**475**	**2,169**	2,162
Contingent rents			-	-
Less sublease payments received			-	-
Total	**1,694**	**475**	**2,169**	**2,162**

			31 March 2019 £000	31 March 2018 £000
Future minimum lease payments due:				
- not later than one year;	**1,673**	**95**	**1,768**	1,800
- later than one year and not later than five years;	**1,752**	**265**	**2,017**	1,631
- later than five years.	**3,517**	-	**3,517**	3,818
Total	**6,942**	**360**	**7,302**	**7,249**
Future minimum sublease payments to be received	0	0	-	-

A remaining lease term of 19 years has been indicated by NHSPS for Ludlow hospital owned by them and leased by the Trust. There are another 13 properties leased from NHSPS and future payments for all of these are for 1 year. There are a further 20 properties leased from the private sector or local authorities with varying remaining lease terms of between 0.25 to 22.5 years, the longest lease is for Church Stretton Health Centre.

Note 10 Finance income

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

	2018/19	2017/18
	£000	£000
Interest on bank accounts	74	28
Interest income on finance leases	-	-
Interest on other investments / financial assets	-	-
Other finance income	-	-
Total finance income	**74**	**28**

Note 11 Other gains / (losses)

	2018/19	2017/18
	£000	£000
Gains on disposal of assets	-	3
Losses on disposal of assets	(36)	-
Total gains / (losses) on disposal of assets	**(36)**	**3**
Gains / (losses) on foreign exchange	-	-
Fair value gains / (losses) on investment properties	-	-
Fair value gains / (losses) on financial assets / investments	-	-
	-	-
Recycling gains / (losses) on disposal of financial assets mandated as fair value through OCI	-	-
Total other gains / (losses)	**(36)**	**3**

Note 12 Intangible assets - 2018/19

	Software licences £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2018 - brought forward	-	-	-	-
Transfers by absorption	-	-	-	-
Additions	-	-	-	-
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	123	-	-	**123**
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
Valuation / gross cost at 31 March 2019	**123**	-	-	**123**
Amortisation at 1 April 2018 - brought forward	-	-	-	-
Transfers by absorption	-	-	-	-
Provided during the year	-	-	-	-
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	39	-	-	**39**
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
Amortisation at 31 March 2019	**39**	-	-	**39**
Net book value at 31 March 2019	**84**	-	-	**84**
Net book value at 1 April 2018	-	-	-	-

Note 13.1 Property, plant and equipment - 2018/19

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2018 - brought forward	**4,083**	**19,142**	**777**	**3,114**	**34**	**4,653**	**74**	**31,877**
Transfers by absorption	-	-	-	-	-	-	-	-
Additions	-	792	341	144	-	687	-	**1,964**
Impairments	-	(267)	-	-	-	-	-	**(267)**
Reversals of impairments	-	-	-	-	-	-	-	-
Revaluations	124	(3,568)	-	6	-	-	-	**(3,438)**
Reclassifications	-	625	(777)	152	-	(123)	-	**(123)**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	(14)	-	(329)	-	**(343)**
Valuation/gross cost at 31 March 2019	**4,207**	**16,724**	**341**	**3,402**	**34**	**4,888**	**74**	**29,670**
Accumulated depreciation at 1 April 2018 - brought forward	**-**	**338**	**-**	**2,050**	**34**	**2,247**	**66**	**4,735**
Transfers by absorption	-	-	-	-	-	-	-	-
Provided during the year	-	787	-	257	-	849	2	**1,895**
Impairments	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-
Revaluations	-	(1,065)	-	-	-	-	-	**(1,065)**
Reclassifications	-	-	-	-	-	(39)	-	**(39)**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	(14)	-	(293)	-	**(307)**
Accumulated depreciation at 31 March 2019	**-**	**60**	**-**	**2,293**	**34**	**2,764**	**68**	**5,219**
Net book value at 31 March 2019	**4,207**	**16,664**	**341**	**1,109**	**-**	**2,124**	**6**	**24,451**
Net book value at 1 April 2018	**4,083**	**18,804**	**777**	**1,064**	**-**	**2,406**	**8**	**27,142**

Note 13.2 Property, plant and equipment - 2017/18

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2017 - as previously stated	**4,061**	**16,391**	**82**	**2,983**	**34**	**3,909**	**82**	**27,542**
Prior period adjustments	-	-	-	-	-	-	-	-
Valuation / gross cost at 1 April 2017 - restated	**4,061**	**16,391**	**82**	**2,983**	**34**	**3,909**	**82**	**27,542**
Transfers by absorption	-	-	-	-	-	-	-	-
Additions	-	694	777	296	-	744	-	**2,511**
Impairments	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-
	22	1,954	21	5	-	-	-	**2,002**
Reclassifications	-	103	(103)	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	(170)	-	-	(8)	**(178)**
Valuation/gross cost at 31 March 2018	**4,083**	**19,142**	**777**	**3,114**	**34**	**4,653**	**74**	**31,877**
Accumulated depreciation at 1 April 2017 - as previously stated	**-**	**285**	**-**	**1,958**	**34**	**1,570**	**68**	**3,915**
Prior period adjustments	-	-	-	-	-	-	-	-
Accumulated depreciation at 1 April 2017 - restated	**-**	**285**	**-**	**1,958**	**34**	**1,570**	**68**	**3,915**
Transfers by absorption	-	-	-	-	-	-	-	-
Provided during the year	-	658	-	262	-	677	6	**1,603**
Impairments	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-
Revaluations	-	(605)	-	-	-	-	-	**(605)**
Reclassifications	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	(170)	-	-	(8)	**(178)**
Accumulated depreciation at 31 March 2018	**-**	**338**	**-**	**2,050**	**34**	**2,247**	**66**	**4,735**
Net book value at 31 March 2018	**4,083**	**18,804**	**777**	**1,064**	**-**	**2,406**	**8**	**27,142**
Net book value at 1 April 2017	**4,061**	**16,106**	**82**	**1,025**	**-**	**2,339**	**14**	**23,627**

Note 13.3 Property, plant and equipment financing - 2018/19

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019								
Owned - purchased	4,207	16,214	341	540	-	2,114	6	**23,422**
Finance leased	-	-	-	-	-	-	-	-
On-SoFP PFI contracts and other service concession arrangements	-	-	-	-	-	-	-	-
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-
Owned - government granted	-	-	-	-	-	-	-	-
Owned - donated	-	450	-	569	-	10	-	**1,029**
NBV total at 31 March 2019	**4,207**	**16,664**	**341**	**1,109**	**-**	**2,124**	**6**	**24,451**

Note 13.4 Property, plant and equipment financing - 2017/18

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2018								
Owned - purchased	4,083	18,230	625	569	-	2,394	8	**25,909**
Finance leased	-	-	-	-	-	-	-	-
On-SoFP PFI contracts and other service concession arrangements	-	-	-	-	-	-	-	-
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-
Owned - government granted	-	-	-	-	-	-	-	-
Owned - donated	-	574	152	495	-	12	-	**1,233**
NBV total at 31 March 2018	**4,083**	**18,804**	**777**	**1,064**	**-**	**2,406**	**8**	**27,142**

Note 14 Intangibles

A review of assets included in IT Equipment has resulted in a reclassification of 6 Software Licences (NBV £84k), which are more appropriately classified as Intangible Assets.

Note 15 Donations of property, plant and equipment

The Trust received donations of property, plant and equipment received during the year from the League of Friends (LoF), and the Trust's own charitable funds as follows:

	2019 £000
Multi purpose room at Bridgnorth Agnes Campbell ward - LoF	65
Digital Reminiscence Therapy Software Package at Ludlow - LoF	6
SARA plus approved Scales at Bridgnorth - Trust's Charitable Fund	7
Total Donated PPE	78

Note 16.1 Revaluations of property, plant and equipment

The 5 yearly full land and buildings revaluation was undertaken this financial year by the Valuation Office Agency (VOA) with an effective date of 31st March 2019.

BCIS indices, provided to the Trust by the Valuation Office Agency were used to reflect changes in value of other assets of £145k

Land and buildings revaluation amounted to increases of £124k and decrease of £2,772k respectively, and an increase for indexation using BCIS indices of £1k. Revaluation values overall increased by 3% for Land, BCIS buildings' indexation of 0.9% and a decrease in buildings of 14.6% .

Land values include £1,050k for non-operational land at Ludlow.

The gross carrying amount of fully depreciated assets still in use was £2.2m.

Indexation of 2.1% was applied to equipment assets with a net book value of £30k and an economic life greater than 10 years, being 3 assets resulting in an increase of £7k.

Note 16.2 Useful economic lives of property, plant and equipment

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

	Min life Years	Max life Years
Buildings, excluding dwellings	15	55
Plant & machinery	5	15
Transport equipment	5	8
Information technology	2	8
Furniture & fittings	5	10

Note 17 Inventories

	31 March 2019 £000	31 March 2018 £000
Drugs	-	-
Work In progress	-	-
Consumables	211	145
Energy	-	-
Other	206	151
Total inventories	**417**	**296**
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £2,622k (2017/18: £3,160k). Write-down of inventories recognised as expenses for the year were £0k (2017/18: £0k).

Note 18.1 Trade receivables and other receivables

	31 March 2019 £000	31 March 2018 £000
Current		
Contract receivables*	4,392	
Contract assets*	-	
Trade receivables*		3,441
Capital receivables	-	-
Accrued income*		1,936
Allowance for impaired contract receivables / assets*	(31)	
Allowance for other impaired receivables	-	(30)
Deposits and advances	-	-
Prepayments (non-PFI)	241	145
PFI prepayments - capital contributions	-	-
PFI lifecycle prepayments	-	-
Interest receivable	7	4
Finance lease receivables	-	-
PDC dividend receivable	25	-
VAT receivable	75	52
Corporation and other taxes receivable	-	-
Other receivables	80	1
Total current trade and other receivables	**4,789**	**5,549**
Non-current		
Contract receivables*	-	
Contract assets*	-	
Trade receivables*		
Capital receivables	-	-
Accrued income*		-
Allowance for impaired contract receivables / assets*	(16)	
Allowance for other impaired receivables	-	(17)
Deposits and advances	-	-
Prepayments (non-PFI)	27	
PFI prepayments - capital contributions	-	-
PFI lifecycle prepayments	-	-
Interest receivable	-	-
Finance lease receivables	-	-
VAT receivable	-	-
Corporation and other taxes receivable	-	-
Other receivables	73	-
Total non-current trade and other receivables	**84**	**(17)**
Of which receivables from NHS and DHSC group bodies:		
	4,076	2,825
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 18.2 Allowances for credit losses - 2018/19

	Contract receivables and contract assets	All other receivables
	£000	£000
Allowances as at 1 Apr 2018 - brought forward		29
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	47	(47)
Transfers by absorption	-	-
New allowances arising	4	-
Changes in existing allowances	-	-
Reversals of allowances	-	-
Utilisation of allowances (write offs)	(4)	-
Changes arising following modification of contractual cash flows	-	-
Foreign exchange and other changes	-	-
Allowances as at 31 Mar 2019	**47**	**(18)**

Note 18.3 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
Allowances as at 1 Apr 2017 - as previously stated	32
Prior period adjustments	-
Allowances as at 1 Apr 2017 - restated	32
Transfers by absorption	-
Increase in provision	
Amounts utilised	(3)
Unused amounts reversed	-
Allowances as at 31 Mar 2018	**29**

Note 18.4 Exposure to credit risk

Credit loss provision - Non NHS contract receivables	Gross Amount £000	Expected Loss Allowance £000
Days past invoice date		
0-30 days	108	1
31-60 days	28	
61-90 days	7	
Over 90 days	21	13
Total	**164**	**14**

The credit losses in 2018/19 also include an allowance of £33k for unsuccessful compensation claims in relation to the NHS injury cost recovery scheme.

Note 19 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	**8,667**	**7,531**
Prior period adjustments	-	-
At 1 April (restated)	**8,667**	**7,531**
Transfers by absorption	-	-
Net change in year	3,400	1,136
At 31 March	**12,067**	**8,667**
Broken down into:		
Cash at commercial banks and in hand	18	16
Cash with the Government Banking Service	12,049	8,651
Deposits with the National Loan Fund	-	-
Other current investments	-	-
Total cash and cash equivalents as in SoFP	**12,067**	**8,667**
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	**12,067**	**8,667**

Note 20 Trade and other payables

	31 March 2019 £000	31 March 2018 £000
Current		
Trade payables	2,152	2,346
Capital payables	614	964
Accruals	3,137	2,690
Receipts in advance (including payments on account)	15	-
Social security costs	554	546
VAT payables	-	-
Other taxes payable	346	333
PDC dividend payable	-	16
Accrued interest on loans*		-
Other payables	923	887
Total current trade and other payables	**7,741**	**7,782**
Of which payables from NHS and DHSC group bodies:		
Current	2,354	2,224
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.

Note 21.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits*	Legal claims	Re-structuring	Equal Pay (including Agenda for Change)	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2018	-	-	4	-	-	-	-	4
Transfers by absorption	-	-	-	-	-	-	-	-
Change in the discount rate	-	-	-	-	-	-	-	-
Arising during the year	-	-	12	-	-	-	255	267
Utilised during the year	-	-	-	-	-	-	-	-
Reclassified to liabilities held in disposal groups	-	-	-	-	-	-	-	-
Reversed unused	-	-	(1)	-	-	-	-	(1)
Unwinding of discount	-	-	-	-	-	-	-	-
At 31 March 2019	-	-	15	-	-	-	255	270
Expected timing of cash flows:								
- not later than one year;	-	-	15	-	-	-	255	270
- later than one year and not later than five years;	-	-	-	-	-	-	-	-
- later than five years.	-	-	-	-	-	-	-	-
Total	-	-	15	-	-	-	255	270

The provisions in the "Legal Claims" class relate to expected NHS Resolution Employers/Public Liability Claims

The provision in Other (£255k) relates to an on-going assessment of payroll payments and the potential impact this may have on the Trust. As the assessment is on-going, a provision has been made.

Note 21.2 Clinical negligence liabilities

At 31 March 2019, £50k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Shropshire Community Health NHS Trust (31 March 2018: £103k).

Note 22 Contingent assets and liabilities

	31 March 2019 £000	31 March 2018 £000
Value of contingent liabilities		
NHS Resolution legal claims	(8)	(9)
Employment tribunal and other employee related litigation	-	-
Redundancy	-	-
Other	-	-
Gross value of contingent liabilities	**(8)**	**(9)**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**(8)**	**(9)**
Net value of contingent assets	**-**	**-**

Note 23 Contractual capital commitments

	31 March 2019 £000	31 March 2018
Property, plant and equipment	415	490
Intangible assets	-	-
Total	**415**	**490**

Note 24 Financial instruments

Note 24.1 Financial risk management

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

The 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. Trust treasury activity is subject to review by the Trust's internal auditors. Since the financial instruments are all short term in nature, the Trust considers that the carrying amounts disclosed are a reasonable approximation of fair value and no further estimate of fair value is reported.

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

Currently the Trust has no loans. However, it could borrow from the government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The borrowings would be 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 a very 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 primary care organisations, 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 24.2 Carrying values of financial assets

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

	Held at 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	4,499	-	-	4,499
Other investments / financial assets	-	-	-	-
Cash and cash equivalents at bank and in hand	12,067	-	-	12,067
Total at 31 March 2019	16,566	-	-	16,566

	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	5,311	-	-	-	5,311
Other investments / financial assets	-	-	-	-	-
Cash and cash equivalents at bank and in hand	8,667	-	-	-	8,667
Total at 31 March 2018	13,978	-	-	-	13,978

Note 24.3 Carrying value of financial liabilities

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

	Held at 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	-	-	-
Obligations under finance leases	-	-	-
Obligations under PFI, LIFT and other service concession contracts	-	-	-
Other borrowings	-	-	-
Trade and other payables excluding non financial liabilities	6,091	-	6,091
Other financial liabilities	-	-	-
Provisions under contract	270	-	270
Total at 31 March 2019	6,361	-	6,361

	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	-	-	-
	-	-	-
Obligations under PFI, LIFT and other service concession contracts	-	-	-
Other borrowings	-	-	-
Trade and other payables excluding non financial liabilities	6,192	-	6,192
Other financial liabilities	-	-	-
Provisions under contract	-	-	-
Total at 31 March 2018	6,192	-	6,192

Note 24.4 Maturity of financial liabilities

	31 March 2019	31 March 2018
	£000	£000
In one year or less	6,361	6,192
In more than one year but not more than two years	-	-
In more than two years but not more than five years	-	-
In more than five years	-	-
Total	6,361	6,192

Note 25 Losses and special payments

	2018/19		2017/18	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	-	-	4	1
Fruitless payments	1	-	2	-
Bad debts and claims abandoned	158	4	174	3
Stores losses and damage to property	-	-	-	-
Total losses	**159**	**4**	**180**	**4**
Special payments				
Compensation under court order or legally binding arbitration award	-	-	-	-
Extra-contractual payments	-	-	-	-
Ex-gratia payments	4	4	7	2
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	**4**	**4**	**7**	**2**
Total losses and special payments	**163**	**8**	**187**	**6**
Compensation payments received		-		-

Note 26.1 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.

Reassessment of allowances for credit losses under the expected loss model has resulted in no change 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 £140k.

Note 26.2 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).

The adoption of this standard has had no impact on this Trust.

Note 27 Related parties

During the year none of the Department of Health and Social Care Ministers, Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with the Trust.

The Department of Health and Social Care is regarded as a related party. During the year the Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are:

Health Education England
NHS England
NHS Pension Scheme
NHS Property Services
Shrewsbury & Telford Hospitals NHS Trust
Shropshire CCG
Telford & Wrekin CCG

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Shropshire Council and Telford & Wrekin Council.

The Trust has also received revenue and capital payments from charitable funds, the trustees for which are also members of the Trust board by way of corporate trustee. The charitable funds are not consolidated into the Trust accounts as there is a separate annual accounts and annual report for the charity.

Note 28 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	**20,791**	**19,239**	19,298	16,718
Total non-NHS trade invoices paid within target	**20,537**	**18,973**	19,118	16,490
Percentage of non-NHS trade invoices paid within target	**98.8%**	**98.6%**	99.1%	98.6%
NHS Payables				
Total NHS trade invoices paid in the year	**1,385**	**9,546**	1,435	10,360
Total NHS trade invoices paid within target	**1,328**	**9,049**	1,391	9,886
Percentage of NHS trade invoices paid within target	**95.9%**	**94.8%**	96.9%	95.4%

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 29 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	(3,262)	(1,136)
Finance leases taken out in year		-
Other capital receipts		-
External financing requirement	**(3,262)**	**(1,136)**
External financing limit (EFL)	(299)	1,305
Under / (over) spend against EFL	**2,963**	**2,441**

Note 30 Capital Resource Limit

	2018/19 £000	2017/18 £000
Gross capital expenditure	1,964	2,511
Less: Disposals	(36)	-
Less: Donated and granted capital additions	(78)	
Plus: Loss on disposal from capital grants in kind	-	-
Charge against Capital Resource Limit	**1,850**	**2,511**
Capital Resource Limit	2,075	2,516
Under / (over) spend against CRL	**225**	**5**

NHSI approved the CRL of £2,075k, which includes PDC funding for Wi-Fi secondary care £127k and Pharmacy - Define Licence & EU Exit Monitoring £12k.

Note 31.1 Breakeven duty financial performance

	2018/19 £000
Adjusted financial performance surplus / (deficit) (control total basis)	2,492
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)	**2,492**

Note 31.2 Financial performance for the year

	2018/19 £000	2017/18 £000
Retained surplus / (deficit) for the year	2,176	3,042
Remove impact of consolidating NHS charitable fund	0	0
expenditure limit	267	0
Remove (gains) / losses on transfers by absorption	0	0
Remove I&E impact of capital grants and donations	49	(284)
Adjusted retained surplus / (deficit)	**2,492**	**2,758**
Adjusted financial performance excluding STF	**142**	505

The adjustment to arrive at reported financial performance relates to the favourable impact on the Trust of the change in accounting policy from 2011/12 for assets funded by donations or government grants.

Note 32 Breakeven duty rolling assessment

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Breakeven duty in-year financial performance	1,397	1,496	234	352	1,355	2,596	2,758	2,492
Breakeven duty cumulative position	1,397	2,893	3,127	3,479	4,834	7,430	10,188	12,680
Operating income	80,802	79,679	76,105	75,286	78,940	79,377	77,861	80,942
Cumulative breakeven position as a percentage of operating income	1.7%	3.6%	4.1%	4.6%	6.1%	9.4%	13.1%	15.7%

Adjustments are made in respect of accounting policy changes (impairments and the removal of the donated assets) to maintain comparability year to year.

Larger surpluses in 2015/16 due to an agreed capital to revenue transfer, also in 2016/17, 2017/18 due to STF funding and 2018/19 PSF Funding.

Note 32.1 Capital cost absorption rate

The dividend payable on public dividend capital is based on the actual (rather than forecast) average relevant net assets based on the pre audited accounts and therefore the actual capital cost absorption rate is automatically 3.5%