NHS
The Shrewsbury and Telford Hospital NHS Trust

Annual Report & Accounts 2020/21

The Shrewsbury and Telford Hospital NHS Trust

June 2021

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1 An overview of The Shrewsbury and Telford Hospital NHS Trust

The Shrewsbury and Telford NHS Trust is the main provider of district general hospital services for approximately half a million people in Shropshire, Telford, Wrekin and mid Wales.

The main service locations for the Trust are the Princess Royal Hospital in Telford and the Royal Shrewsbury Hospital in Shrewsbury, which together provide 99% of our activity.

Both hospitals provide a wide range of acute hospital services including accident and emergency,outpatients, diagnostics, inpatient medical care and critical care.

The two hospitals have approximately 700 inpatient beds.

Princess Royal Hospital is the Trust's specialist centre for inpatient head and neck surgery. It includes the Shropshire Women and Children's centre, the Trust's centre for inpatient women and children's services.

Services provided by the Trust across the two sites are acute inpatient care and treatment for specialties including cardiology, clinical oncology, colorectal surgery, endocrinology, gynaecology, haematology, head and neck, maternity, neonatology, nephrology, neurology respiratory medicine, stroke medicine, trauma and orthopaedics, urology and vascular surgery.

The Trust's management structure comprises four clinical and one corporate divisions (with effect from January 2021) led by clinician and management partnerships:

- Women and Children's services
- Surgery, Anaesthetics and Cancer
- Medicine and Emergency Care
- Clinical Support Services
- Corporate

2 Foreword from the Chair and Chief Executive

Dr Catriona McMahon
Chair

Louise Barnett
Chief Executive

We both welcome the opportunity to address our patients, staff, and volunteers in what marks Catriona's first contribution to the annual report since her appointment as Trust Chair in August 2020, taking over from former Chairman, Ben Reid.

Our annual report enables us to reflect on the 2020/21 period, a time when the NHS faced, and as a whole continued to face, the greatest public health and operational challenge in its history, due to the COVID19 pandemic.

During the initial phase of the pandemic, we, alongside other NHS organisations, reduced or paused a number of services to ensure that we could free up maximum capacity to deal with the anticipated surge in the patients with COVID19.

This was a complex process that involved collaborative working with our local system health and care partner organisations to ensure that all aspects of care, both in, and out of hospital were provided safely. From the second quarter of the financial year, we focused our efforts towards restoring and recovering services and embedding many new ways of working so that we could meet our patients' needs, in line with the Operating Framework guidance.

We would like to thank our local partners who worked alongside us and supported us during the pandemic, particularly the Robert Jones and Agnes Hunt NHS Foundation Trust, Nuffield Health, Shropshire Community Health NHS Trust, Midlands Partnership NHS Foundation Trust, and our councils and commissioners. We must also acknowledge the massive support that we received from many volunteers, members of the public and patients and their families.

Whilst the Trust encountered challenges during the 2020/21 year, the same period marked a step forward for our Board, our strategic direction and our program of improvement inthe quality of care for our patients.

It is recognised that the changes in Board positions over the last two years have presented challenges; however, recent appointments have created a positive shift in Board

dynamics. This has presented us with opportunities for fresh insights and perspectives, and has enhanced our organisational resilience. Thus, we are in a much stronger position, enabling us to move forward at pace and address our priorities, many of which are focused on ensuring we give our patients the quality of care they deserve.

During the 2020/21 period, the Board was enhanced with the addition of experienced leadership, sourced in part through our alliance with University Hospitals of Birmingham NHS Foundation Trust (UHB). Through the alliance, we secured key posts such as the Director of Nursing role, through a secondment.

This role is considered pivotal to enabling the Trust to address deficiencies identified through the various reviews and CQC inspections, which are covered in the highlights section of this report. The package of support from the alliance also includes access to mentoring resources, best practice and specialist expertise from the UHB clinical and leadership teams. This is providing invaluable support to our clinical leaders and Board members.

During the year we reviewed our performance management framework, devised our strategic goals and associated metrics, and enhanced our assurance and oversight arrangements, which are outlined further in the report. Crucial roles were filled on a substantive or secondment basis, with no vacancies existing at Board level as at the end of the 2020/21 period.

During our various interactions with staff we have been inspired by their dedication, commitment, resilience and selflessness - no more so than in the current climate. Our staff have experienced not only the turmoil of the pandemic, but have also adapted to working very differently in order to ensure our patients were safely and compassionately cared for.

Our colleagues in all parts of the hospital have worked tirelessly and without hesitation, so that we could maintain the most caring service possible for our patients.

During the year we were positively overwhelmed by the level of support and encouragement we received from our community, especially during the times when the pressure of the pandemic was highest. We thank each and every one of our colleagues across the Shropshire, Telford and Wrekin System, and members of our community for this incredible support.

One of the key events to reflect upon, from 2020/21, was the publication of the Ockenden Review of Maternity Services. We are dedicated to rectifying the weaknesses identified in the review, and are cooperating fully with Ms. Ockenden. In addition, we aim to be transparent in how we are holding ourselves to account and monitor our progress in implementing the recommendations.

We are very conscious and sensitive to the significance of this work to many families in STW, especially those profoundly impacted over a long period of time. We are also conscious of the interest that many of our stakeholders and members of our community have in our plans and progress. To this end, monthly meetings of the Ockenden Report Assurance Committee are streamed online and updates are submitted to the Board meetings in public.

We believe that by adhering to our Vision and always working with our Values in mind, we can behave in a way which will ensure the right results for the people that matter most – our patients and their families.

During the summer period work was undertaken to refresh the Trust's Vision and Values following feedback from staff, members of the public and stakeholders.

Our Values are:

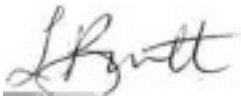
- **Partnering** – working effectively together with patients, families, colleagues, the local health and care system, universities and other stakeholders and through our improvement alliance.
- **Ambitious** – setting and achieving high standards for ourselves personally and for the care we deliver, both today and in the future. Embracing innovation to continuously improve the quality and sustainability of our services.
- **Caring** – showing compassion, respect and empathy for our patients, families and each other, caring about the difference we make for our community.
- **Trusted** – open, transparent and reliable, continuously learning, doing our best to consistently deliver excellent care for our communities.

As we look ahead at our priorities for the 2021/22 period, we are committed to continuing to address those areas where significant improvement is required to ensure we deliver good quality care in our hospitals. These areas are set out in more detail in our Annual Governance Statement and performance sections.

Both of us would like to commend our Board of Executive and Non-Executive Directors, who have had to take complex and difficult decisions during this period; in each case, the uppermost priority was the patients of The Shrewsbury and Telford NHS Hospital Trust.

Finally, we want to thank our patients, their families and their carers. Patient experience and feedback not only guide us as we continually improve, and holds us to account to ensure we provide quality, safe and compassionate care.

Dr Catriona McMahon
Chair



Louise Barnett
Chief Executive

3 Highlights of the 2020/21 financial year

Strategic, system wide and Regulatory focus

Maternity Alliance with Sherwood Forest

The Trust and Sherwood Forest Hospitals NHS Foundation Trust commenced formally working together as Maternity Improvement Partners, through a formal management agreement in February 2021.

During the 2020/21 period the partnership focussed on:

- Maternity leadership development
- Quality of evidence & reporting
- Clinical governance approaches
- Working practice
- Culture
- Patient experience

As part of this work, the partnership has also supported the Trust in the implementation of action plans associated with remedial actions associated with CQC inspection findings spanning from 2018 to the 2020/21 financial year.

Improvement Alliance with University Hospitals Birmingham NHS Foundation Trust

In September 2020, University Hospitals Birmingham NHS Foundation Trust formally entered an Improvement Alliance with The Shrewsbury and Telford NHS Trust to provide leadership expertise in order to support the Trust to offer clinically safe and sustainable patient services.

This is a time-limited alliance, supported by a 'Committees in Common' governance structure, which is chaired by the Chair of UHB, whilst the Chair of the Shrewsbury and Telford NHS Trust is the vice chair. Representation of the committee in common also includes executive and non-executive directors, as well as NHSE/I.

The strategic relationship has made a significant amount of progress to enhance the governance and leadership issues to make the necessary service improvements at the Trust.

Facilitated by NHS Improvement (NHSI) in the Midlands, the Improvement Alliance is part of the strengthened package of support for the Trust, incorporating priorities that form the basis of the Trusts Quality Improvement Plan (QIP) delivered through 8 of the projects and activities contained within year one of the Trust's 'Getting to Good' plan.

The 12 Alliance priorities form part of the Getting to Good Programme, which is based on transformational objectives to be delivered over a five year period from the 2021/22 period.

A summary of the transformational objectives is set out in the table opposite: Trust Five – Ten Year Strategic Goals.

Trust Five – Ten Year Strategic Goals

Strategic Goal	Measure of Success
Our Patients and Community – "we deliver safe and excellent care, first time, every time."	Improved FFT scores, improved staff satisfaction Lower complaints/higher compliments Improved CQC rating, service quality targets/ benchmarking
Our Patients and Community – "we work closely with our patients and communities to develop new models of care that will transform our services."	Improved FFT scores, improved staff satisfaction Improved community trust External awards/recognition
Our People – "our staff are highly skilled, motivated, engaged and live our values. SaTH is recognised as a great place to work."	Better leadership and delivery performance/ownership of targets Improved recruitment and retention Happier staff/better results in staff survey Employer of choice
Our People – "our high performing and continuously improving teams constantly strive to improve the services we deliver."	Recognised as an innovation leader More team-working/less solo working Better use of resources
Our Services – "our services are extremely efficient, effective, sustainable and deliver value for money."	Improved quality and effectiveness metrics Reduced temporary staffing Improved financial performance, UoR model hospital ranking/benchmarking
Our Services – "we deliver our services utilising safe, high quality estate and up-to-date digital systems and infrastructure."	Reduced estate risk and backing/improved digital maturity Improved staff satisfaction Delivery of capital programme/HTP business care implementation
Our Partners – "we have outstanding relationships with our partners, working together to deliver best practice integrated care for our communities."	System leaders actively engaged in driving system change Strong relationships focussed on improving patient outcomes Delivery of outcomes in system transformation programme Highly valued partner organisation

One of the key outputs from this work was the Quality Strategy, which is built around the three-part definition of Quality; care that is safe, clinically effective and provides a positive patient experience. The table below sets summarises the quality priorities, which are aligned to the three domains of safe, effective and patient experience.

In addition, the alliance has realised some key notable benefits which include:

- Review and implementation of quality governance arrangements;
- Sharing of policies, guidelines and standard operating procedures;
- Developing the process of reviewing and learning from serious incidents
- Independent reviews and recommendations undertaken by senior clinicians;
- Supporting the leadership and organisation development work

In the 2021/22 period, the focus will continue on the embedding these benefits, developing and embedding sustainable change, as well as progressing Getting to Good phase 2.

Quality Domain	Quality Priorities
Safe	Learning from Events and Developing a Safety Culture
	The deteriorating patient
	Inpatient falls
Effective	Best clinical outcomes
	Right care, right place, right time
Patient Experience	Learning from experience
	Vulnerable patients
	End of life care

Care Quality Commission (CQC) regulatory position

During the course of the 2020/21 financial year the Trust progressed implementation of action plans arising from CQC inspections that occurred between 2018 and 2020. All remedial actions were incorporated within one improvement plan which is currently monitored by the Quality, Safety and Assurance Committee, with an update feeding into the Board.

As at the end of the financial period, the Trust currently had a total of 35 Section 31 conditions against its registration in addition to receiving 6 Section 29a Warning Notices.

The table below summarises the 2020/21 year end position on CQC ratings:

Trust site	Safe	Effective	Caring	Responsive	Well-led
Princess Royal Hospital	Inadequate	Inadequate	Requires Improvement	Inadequate	Inadequate
Royal Shrewsbury Hospital	Requires Improvement	Requires Improvement	Requires Improvement	Requires Improvement	Requires Improvement
Overall Trustrating	Inadequate	Inadequate	Requires Improvement	Inadequate	Inadequate

The Director of Nursing has maintained Executive Director Oversight of this area, with the support of the Medical Director and other Executive Directors as appropriate.

This improvement plan is aligned with other key quality components such as the Quality strategy, the Maternity improvement plan, and the Getting to Good Programme, which is based on transformational objectives to be delivered over a five year period from the 2021/22 period. The Board has received assurance updates on the progress against the Getting to Good plan during the same period.

The Ockenden Report[2]

The Board of Directors received the initial findings and recommendations from the Ockenden Report, at its meeting in public on 7thJanuary 2021. The report highlighted significant failings of the Trust's maternity services and the impact this has had, and continues to have, on the families concerned, and sets out 52 actions to be implemented by all Trusts.

All of the Ockenden actions arising from the recommendations have been cross-referenced to the Trust's Maternity Improvement Plan and the Maternity Transformation Plan. The Board of Directors have maintained oversight of the status of the 'stand-alone' Ockenden Report Action Plan, also. To this end, the Board has continued to monitor updates against implementation of all 52 actions. More information regarding the review and the work undertaken by the Trust can be found on pages 42-43.

Research and Innovation

The Trust's Research and Innovation Team (R&I) have successfully responded to the challenging and demanding needs of the 2020/21 year. The department successfully opened 10 urgent Public Health Measures studies. The

1 "Emerging Findings and Recommendations from the Independent Review of Maternity Services at The Shrewsbury and Telford Hospital NHS Trust, Our First Report following 250 Clinical Reviews"

requirement for these studies to be set up and recruited within 7 calendar days was met. The department recruited in excess of 1400 patients into these studies, and successfully contributed to the global understanding and treatment of COVID-19.

R&I underwent a dramatic re-deployment and expansion of the team and activity to enable the Trust to participate in appropriate COVID-19 research with urgent Public Health status. R&I temporarily suspended 89% of recruiting studies at site in response to the pandemic or at the sponsor's request, apart from a limited number of interventional oncology studies. The year saw a changing workforce with R&I staff deployed to other clinical areas and staff temporarily deployed to R&I.

In addition to the Urgent Public Health Measures Research, the department has continued to function and deliver 'business as usual', seeing an additional 318 patients participating in non-urgent public health studies. The table below shows the number of studies open in the 2020/21 year and those in follow up:

Study Type	Number of Studies (commercial in brackets)
Number of studies open to recruitment	90 (1)
Number of studies in follow up	42 (6)

This year has seen numerous personnel changes, with the appointment of a new Clinical Lead in Research and Innovation and Trust Lead Research Nurse. An increasing number of clinicians have become involved in research studies across the trust, and a number of applications for external funding streams have been made.

The department has been awarded the West Midlands Clinical Research Network 'Research ECO-System' Award for the collaborative and innovative approach to set up and deliver the SIREN study. This utilised a systems wide approach and was successful in offering all NHS staff across the Shropshire region the opportunity to participate in this study. This year has provided a firm foundation for the continued development, expansion and growth of Research and Innovation at the Trust.

4 Our year – Community, patients and staff highlights

Public Participation

Community Engagement

During the pandemic, the Trust continued to engage and involve local communities with the work of the Trust. Monthly virtual community meetings and virtual health lectures were held in which the public were updated with the latest news, developments and information about the Trust.

The Trust is currently developing a public participation plan, incorporating contribution from local communities. To this end in 2020/21 we have held focus groups and an online survey with over 700 people participating and giving their views.

Reaching out and engaging with our seldom heard groups is considered a very important priority, and following funding from NHS Charities Together, a Social Inclusion Facilitator has now joined the Public Participation Team. This role is reaching out to our communities to understand how they would like to get involved, and how we as a Trust can make this easier for our seldom heard groups.

Hamar Centre redevelopment

This joint scheme with MacMillan was also supported by Royal Shrewsbury Hospital League of Friends, Lingen Davies and SaTH Charity. The £500k development includes improved facilities for the Trust's patient counselling service, an extension with meeting room for patient and community support groups and complementary activities. There is also a larger MacMillan Cancer Support service and a Lingen Davies Fund presence. This Centre is one of the "jewels in the crown" of the Trust's Cancer services and also provides support to other patients with life threatening or life-changing conditions.

Helping our vulnerable patients with Sensory Carts

In October 2020 the Trust's two acute hospitals took delivery of two new Sensory Carts to help relax and calm patients living with dementia, and children with delayed learning – thanks to Captain Sir Tom Moore's incredible fundraising for the NHS.

Designed specifically for older adults with Alzheimer's or other forms of dementia, the Sensory Cart is used for sensory therapy; this also makes them beneficial for children with learning difficulties to reduce stress and anxiety. By using lights, soothing sounds and distraction techniques, the Sensory Cart can help patients to better cope.

Patient Experience – responding to patients during the pandemic

The Trust Patients, Advisory and Liaison Service (PALS) provides confidential advice, support and information to patients and their families on health related matters.

During the pandemic contacts increased with relatives contacting the Trust to highlighting the difficulties they were experiencing in remaining in touch with people important to them whilst in hospital. In response to this feedback the Trust introduced a range of initiatives to help family, friends and those important to our patients let them know they remained in their thoughts whilst unable to visit.

Response Volunteer Scheme

Following two successful bid applications from the Public Participation Team, NHS England have provided over £36,000 to develop a Response Volunteer Scheme at both hospital sites to ease pressures on services arising from winter and COVID-19.

We are one of a few Trusts that has been chosen to pilot this project, in which volunteers are assigned to a hospital site rather than a ward or department. Response Volunteers are able to respond quickly to a number of tasks requested by wards and departments.

Our volunteers can:

- Act as runners– collecting notes, messages for loved ones, prescriptions and other items and delivering them to different wards/departments
- Meet and greet – collecting, logging and delivering patient belonging drop-offs, sign-posting and lending a helping hand where possible
- Support staff wellbeing - preparing and distributing staff treats and donated items and promoting SaTH Charity

Each hospital has its own volunteer hub, where the Response Volunteers are based. We currently have over 90 volunteers signed up to support this role across both hospital sites. The Response Volunteer scheme will be in operation 7 days a week from 9am - 5pm.

SaTH Charity

SaTH Charity has provided increased targeted support to staff and patients over the past year that has made a positive difference. Whilst income from donations and fundraising has been lower due to COVID19, NHS Charities Together has made up that shortfall through distribution of monies donated nationally by millions of other supporters.

During Stage 1 of distributions, the Charity received £127,500 of funding which enabled the purchase of items highlighted by staff that they needed; counselling services for staff as many had been affected by the pandemic, nurse-led psychological support programme was funded to reach large numbers of staff 'on the ground'.

After consulting with colleagues, 35 benches and picnic tables were purchased to support them to take much needed breaks. Two-way radios were procured to aid Theatre and Endoscopy teams to communicate safely, Staff lockers were purchased to aid increased infection prevention and control measures. Hearing loop systems were added to most outpatient desks to support patients who were lip readers or were struggling with the introduction of facemasks. Ten televisions and stands were provided to ward areas to entertain patients at a time when they could not receive visitors.

Donations from the communities we serve have been amazing and have included food donations, hand creams, scrubs and hot meals. The Charity Team also developed 'Wellbeing Trolleys' which delivered donated items to staff at their places of work by a team of volunteers.

Virtual visiting

The Trust promoted the free NHS Wi-Fi provision which is available to everybody in the Trust. This enabled patients to remain in touch with family, friends and people important to them.

The Trust recognised that not all patients had access to smart technology and purchased iPads to support virtual visiting across all inpatient areas to remove as many barriers as possible. Patients were also able to video call with their loved ones to help ease the pain of separation.

Comfort Pebbles

Comfort pebbles were introduced to enable someone to send a comfort pebble and message to a patient whilst they are unable to visit. Enabling the person they care for to have something that they can hold and keep close to them as a reminder of their family and friends who are thinking of them.

Send a message to your loved one was an initiative introduced to enable messages and images to be emailed to the hospital by family, friends and people important to patients, the messages and images are then printed and delivered to patients across the Trust.

The initiative has received positive feedback from patients and the people who are important to them.

Within 24 hours of launching the scheme on social media, it had received 365 shares on Facebook and Instagram and had been seen by over 33,500 people.

Living with and Beyond Cancer

The Living With and Beyond Cancer Programme aims to enable and empower patients to recover as fully as possible and to live well with cancer throughout their treatment and beyond.

The Programme consists of five main interventions (you can read more about these below):

- Holistic Needs Assessment and Care Plan
- Treatment Summaries
- Living Well Offer
- Cancer Care Review (by your GP)
- Person Centred Follow Up

In collaboration with patients, the Trust developed new and innovative tools to promote self- care and self-management to support recovery. These include a patient passport, living well with cancer events and on-line resources for patients to access advice and support from the comfort of their own homes.

The programme was developed by The Shrewsbury and Telford Hospital NHS) in partner- ship with Macmillan Cancer Support, and was shortlisted in the 2020 Nursing Times Awards. A study by Macmillan revealed 1/3 of people living with and beyond cancer experience un- met needs at the end of treatment. For 60% of people, these needs have not improved six months after treatment.

The Trust's programme aims to improve patient experience by ensuring patients have in- formation to help them manage their recovery. The team developed a 'My Passport to Living Well' document to act as a handheld record which patients can use to assess their own needs and be signposted to resources in place to support them.

The team also developed 'Living Well with Cancer' events in community venues across Shropshire, Telford & Wrekin and mid Wales to bring care closer to patients. Sessions are open to all patients and carers at any time during and after their cancer treatment.

Sessions are informal and interactive enabling patients to learn from, and share, their own experiences, tips and advice. Developed with patients, these sessions are facilitated and led by trained patient champions.

As an alternative to the community events, 'Living Well' videos have also been created to ensure all patients have access to concise, accurate information along with peer support and education. Patients and families can choose when to watch them, how often, what to do next and get inspiration for safe self-management.

When developing the videos, the team asked other hospitals in the region to collaborate, increasing the scope of the impact from 30,000 people locally to over 100,000 regionally.

Support for our staff during the pandemic

Communities support for Trust staff

During the pandemic local communities and businesses rallied to show support to hospital staff, donating a range of treats to brighten up their days, including handmade scrubs, hot takeaway meals, chocolates, toiletries, uniform wash bags and more.

From beautiful rainbow coloured cards from children to beautiful handwritten notes to staff with encouraging words, the support and generosity shown to staff has been truly heart- warming, and it was particularly significant having the local community behind us during these unprecedented and challenging times.

Telford & Wrekin Council and Shropshire Council both surprised staff with messages of thanks painted on the roads by PRH and RSH, while a balloon artist brightened up every- one's day with a wonderful air-filled rainbow display at our Telford Hospital site.

The generosity of the local community has also enabled the Trust to create dedicated staff health and wellbeing hubs at both Telford and Shrewsbury. These tranquil spaces are open to staff 24 hours a day and provide colleagues with a relaxing place to recharge with complimentary refreshments and toiletries. Food and hot drinks were also being provided free in the hospital's dining rooms to staff who working overnight, due to support from local councils.

Doctors, nurses and other healthcare workers at gathered every Thursday evening at 8pm to take part in the national round of applause which boosted morale.

End of Life Care

The Swan End of Life Care Team at the Trust would like say a huge thank you to our Local Communities for their continuous generosity and support especially through a difficult year for all. To name but a few the following donations have provided great resources for continually providing the individualised holistic approach for our patients and those important to them at the end of life. Our local communities have shown great respect, passion and heart-warming support to us all enabling us to continue in providing our mantra "We have one chance to get it right for every person every time."

Memory Stones

The Swan End of Life Care Team has placed a memory stone, for each patient who sadly lost their life to COVID-19-19 during the months March to September 2020. These memory stones have been kindly donated by individual members of the public and also the Shropshire Rocks Group. These stones have been placed at locations in both hospitals: the Queen Mother's Garden at Shrewsbury and the Paul Brown Garden at Telford and are identified by the engraved plaques. A plaque is placed in both gardens and also in the corridors outside the Intensive Care Departments at both sites.

In spring 2020, Fiona Fortune kindly donated glass hearts to the Swan End of Life Care Team who have utilised these hearts as gifts for End of Life Care Champions. Collaboration between Fiona and the Swan End of Life Care Team in the summer of 2020 led to Fiona donating her talents in producing four glass plaques to be placed in the gardens along with the memory stones. These were produced in recognition of the hard work and the sacrifices made by staff during the pandemic and in memory of those who sadly lost their lives to COVID-19, these have been in place since early 2021.

Kindness Hearts

Members of the public have been busy knitting and crocheting, creating 'kindness hearts' for the Swan End of Life Care Team during the pandemic. These hearts are designed to be gifted in a pair, to patients and those important to them, with one heart to remain with the patient and the other to be cherished by their loved one.

These hearts have touched the hearts of many of patients' loved ones and created a keep sake for them during the most difficult of times. Where those are unable to visit their loved one due to many different reasons a heart is placed with the patient and the matching heart is posted along with one of these cards to the patient's next of kin.

The Swan End of Life Care Team have since seen such a benefit in these hearts that they hope to continue to offer the 'kindness hearts' for all patients at end of life.

Estates achievements

In August 2020, construction commenced of a new £1.2m Fracture Clinic at Shrewsbury to provide a purpose built fracture area with 12 bays, consultation rooms, waiting areas, reception and new plaster area with separate paediatrics plaster bay. This work was completed in March 2021; the work has also freed up room in A&E to allow refurbishment and expansion work to be undertaken.

A Same Day Emergency Care Unit at RSH was constructed between August and December 2020, to allow enhanced treatment of patients and avoid unnecessary admissions. This building is a purpose built 2 storey modular Accident & Emergency facility with 6 trolleys and 4 chair spaces on the ground floor with offices, staff room, seminar room and changing facilities on the first floor.

During the year, work continued at pace to install Fire alarm system and fire safety upgrades on both of the Trust sites. This constituted a significant investment (£1m plus) and was achieved through close working with colleagues from Shropshire Fire & Rescue Service.

Energy efficient LED lighting scheme upgrades have been implemented on both hospital sites (amounting to a cost of circa £1m), resulting in the saving of 1400 tonnes of carbon and reduction in energy bills for the Trust.

During the 2020/21 the Estates team also provided support Trust-wide with other projects:

- Upgrade of site oxygen, increasing oxygen capacity flow on both hospital sites by 100% and increasing oxygen supply to individual wards at Telford to more than double the flow capacity through changes to medical gas pipe supply;
- Upgrading the Telford based Women & Children's heating to cope with the additional Midwifery-Led Unit co-located with the Women & Children's Centre, and also reducing heat demand by utilising invertors and smart design to reduce the building's energy and carbon foot print;
- Installing modern Air Handling Unit components which reduced change-over time between patients, and increased air change rate to three endoscopy procedure rooms at Shrewsbury, thus increasing the number of patients that could be seen during the day; and
- Shrewsbury Pathology upgrades to allow an increase in COVID-19 testing capacity.

Facilities summary highlights

The introduction of the Rapid Response Team and enhanced cleaning schedules, including reactive and proactive HPV decontamination, has enabled cleanliness teams to keep the hospital areas spotlessly clean and has helped battle the spread of COVID-19 and other infectious diseases.

Catering Team

- The introduction of the new patient menus with a much wider range of options, and the hostess-served food service, has seen significant improvement in monthly patient satisfaction surveys and comments on the choice and quality of food being provided in both hospitals.
- A 24-hour hot vending system was introduced to enable our hard-working staff to access appetising hot meals 24/7, whatever shifts they may be working; and
- Upgrade of both hospital dining rooms and serveries – replacing 1980s décor with bright and airy environment - has provided relaxing areas for staff and visitors alike to take a break and eat a meal.

Portering Team

- The introduction of porters' pharmacy runs ensure that patients receive their prescribed drugs quickly – releasing valuable ward staff time and speeding up patient discharges;
- The increase in resources to radiology on both sites which provides support to our Radiology department to ensure our patients are scanned in a timely manner; and
- Our incredible volunteers, some of whom have subsequently secured employment with the Trust – must be thanked. Six volunteers worked within the department during the first lock down. One of them, Paul Twitchell, secured a full time position with the Portering Team; not only does Paul work in his role but he also taken on two additional volunteer roles "Veterans Aware Champion" and "Coordinator for Step into Health"

5 Performance Report

Performance Analysis 2020/21

The Board is a unitary Board, collectively responsible for the performance of the NHS Trust; and it discharges this responsibility in several ways.

The Board's role in monitoring the performance of the organisation is supported by an accountability structure which is enabling visibility by the public, staff and external stakeholders through meetings in public.

It remains the responsibility of the Board of Directors to design and then implement agreed priorities, objectives and the overall strategy of the Trust.

To this end, the Trust Board developed a set of key performance indicators (KPIs), which are set out within a performance management framework. These cover quality and safety measures as well as those performance, financial and workforce KPIs outlined in the NHS Improvement Single Oversight Framework.

The Trust Board receives the Integrated Performance Report at every meeting in the form of a scorecard accompanied by exception reporting, and explanatory narrative.

This information is provided for the previous month, trends over time, and, where available or relevant, against a benchmark. These are linked explicitly to the Trust's strategic objectives, national priority indicators, and local priorities.

The Board scorecard is aligned to the five CQC domains: safe, effective, caring, responsive and well led, and is publicly accessible on the Trust website.

The Board is supported by the Quality, Safety and Assurance Committee in monitoring performance against Quality and workforce indicators, whilst the Finance and Performance Committee reviews workforce, operational and financial performance.

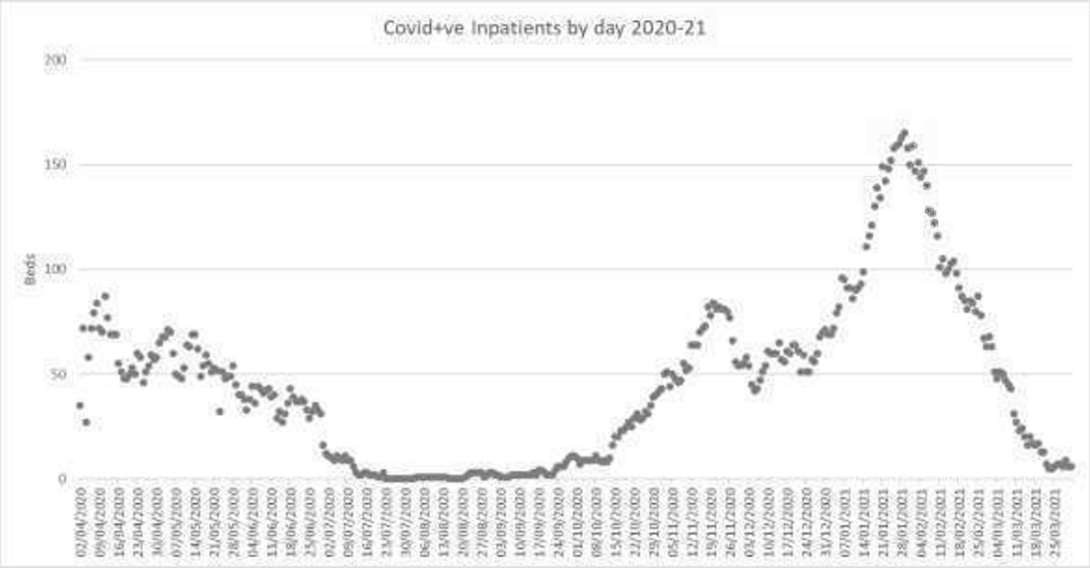
The Executive Directors review the performance of the Trust monthly via the Executive Committee and weekly at the operational Performance Management Group meetings.

2020/21 Performance highlights

The 2020/21 financial year has been unprecedented in the history of the NHS, with much of our work being directed to support patients affected by the COVID-19 pandemic. We have worked closely with other health partners during the pandemic and received significant support from those partners, particularly during the peak that occurred in January and February 2021. At the peak of the pandemic, we cared for 165 patients with Covid-19 and increased our critical care capacity from 14 to 26 beds. In addition to caring

for those patients being treated for COVID-19, we also needed to carefully manage the COVID-19 risk presented by other patients, including the implementation of regular testing for our patients as well as lateral flow testing for staff.

This graph shows the inpatients with positive test results for Covid-19 each day during the year. In addition to these patients each day patients having symptoms of COVID-19 were separated until their test results confirmed their status.



The pandemic impacted upon our ability to continue to provide services in a number of ways, limiting access to our sites to maintain Covid-19 recommended infection control and protection measures and reducing the overall capacity of services available to our patients.

To provide the best care possible in these difficult circumstances, we had to be adaptable, innovative and agile, finding new ways to respond to the needs of patients and staff.

Through the use of technology, we were able to undertake virtual consultations and to communicate with our high risk patients so as to mitigate the risk of harm. By the end of March, consultations with over 2,500 patients per week were taking place through virtual or telephone clinics.

We clinically prioritised our in-patient and day case waiting lists to ensure that all of the capacity available was directed to those with the greatest clinical need. For all but a short period during the peak of the pandemic, we continued to provide cancer surgery, re- scheduling patients impacted by the short delay at the earliest opportunity.

We have largely been able to continue to operate on very urgent clinical cases either on site or through arrangements with the independent sector. However, the level of routine activity has been severely constrained and so we enter 2021/22 with a large backlog of patients waiting for first outpatients, diagnostic tests or surgical procedures.

2020/21 has also seen changes in how we deliver our services for unscheduled care. Following significant capital investment in the Same Day Emergency Care unit ("SDEC")

on the RSH site and the Priority Admissions Unit ("PAU") in PRH. These facilities have enabled us to improve the pathway of care for our population, providing prompt assessment and diagnosis to prevent hospitalisation of patients.

At the same time, we have been focussing on working with partners on improving discharge planning to provide safe and timely discharge of patients who no longer need to remain in an acute hospital. This is both better for patients and improves flow to support the admission of patients from our accident and emergency departments or directly from our assessment units via GPs.

As we emerge from the peak of the pandemic and begin to restore our elective services, we will be seeking to optimise our capacity to optimise access to patients, treating those patients with greatest clinical need first and carefully managing on-going requirements for social distancing and infection prevention and control.

Throughout the year, our staff have shown great resilience and flexibility, numerous staff have been re-deployed to support critical care and Covid-19 wards and there are many great examples of staff volunteering to work in roles that are different to their normal positions. During the peak of the pandemic, we supported patients from outside of Shropshire in need of critical care and received considerable support from our partners in the STW system to deliver care to our in-patients by staff re-deployed from outside the Trust.

At the same time, we worked as part of the health care system in developing and implementing the COVID-19 vaccination programme, successfully delivering the programme to care home residents and staff, health care workers, 60 to 80 year olds and the clinically vulnerable ahead of plan.

Overall COVID-19 has adversely impacted on our 2020/21 performance compared to 2019/20 across all our key performance indicators. Elective activity levels are lower than in previous years and waiting list size and length of wait, in common with other Trusts across England, has significantly increased.

Nevertheless COVID-19- has also impacted on unscheduled care services, initially with fewer patients presenting to our emergency departments. However of those attending a higher proportion have required admission and this has required careful management and testing of patients so as to segment covid-19 positive from non-COVID-19 patients within our ward areas. More recently attendance levels have increased and performance on key access time indicators such as ambulance handover and 4 hour time and 12 hour waits have declined as we continue to maintain infection control.

Detail of our end of March, year-end position is included in our IPR for the April 2021 board. The summary dashboard is shown in the table opposite (page 17).

Operational – KPI	Latest month	Actual Month End Performance March 2021	2020/21 Full Year actual performance
Elective Care			
RTT Waiting list – total size	Mar 21	32674 (29651) English Only	32674 (29651) English Only
18 week RTT % compliance – incomplete pathways	Mar 21	56.14% (English Only)	56.14% (English Only)
52 week breaches	Mar 21	3702 (3271 English only)	3702 (3271 English only)
Cancer			
Cancer 2 week wait	Mar 21	82.4%	88.83%
Cancer 62 day compliance	Mar 21	60.53%	75.06%
Diagnostics			
Diagnostic % compliance 6 week waits	Mar 21	71.8%	71.8%
Emergency Department			
ED – 4 Hour performance	Mar 21	75.8%	77.60%
ED – Ambulance handover > 60mins	Mar 21	174	2093
ED 4 Hour Performance – Minors	Mar 21	95.9%	96.40%
ED 4 Hour Performance – Majors	Mar 21	54.5%	60.00%
ED time to initial assessment (mins)	Mar 21	21	18.3
12 hour ED trolley waits	Mar 21	23	392
Total Emergency Admissions from A&E	Mar 21	2850	29744
Hospital Occupancy			
Bed Occupancy – G&A	Mar 21	78.0%	72.5%
Activity			
ED activity (type 1)	Mar 21	9444	99152
Total Non Elective Activity	Mar 21	5108	49483
Outpatients Elective Total activity Inc. Nurse led and	Mar 21	55673	538693
Total Elective IPDC activity	Mar 21	5222	46543
Diagnostic Activity Total	Mar 21	17409	153751

Both waiting list numbers and lengths of wait for diagnostics and elective outpatients, inpatients and day cases have increased as a consequence of the impact of COVID-19-1.

Key risks and steps we have taken to mitigate them:

In order to ease pressure off the A&E department we expanded emergency care access, developing the SDEC and PAU before the peak of the pandemic so as to increase ambulatory emergency care for non-Covid conditions, we also retained the pathway for emergency surgery throughout the pandemic.

In order to deliver care safely during periods when there were a high number of patients with Covid we established separate Covid, Covid-suspected and non-Covid pathways within the hospitals.

In response to challenges experienced with diagnostics we increased diagnostic capacity through mobile CT and MRI scanners on site.

We move into 2021/22 with a significant challenge to both restore services and address the backlog of patients. As we emerge from the peak of the pandemic and begin to restore our elective services we will optimise our capacity to maximise access to patients, treating those patients with greatest clinical need first and carefully managing on-going requirements for social distancing and infection prevention and control.

We have more to do to improve our ambulance handover times, our emergency department waits prior to discharge, transfer or admission. We are working as part of the whole unscheduled care system to make these improvement.

For 2021/22 we are developing performance trajectories for these key performance metrics aligned to the actions we are taking to improve performance in emergency care and recover our activity for elective care.

Performance risk assurance

Key to the effectiveness of risk management in the organisation is the Executive Committee infrastructure, comprising of all the Executive Directors, divisional clinical directors, senior management and subject matter experts, where performance, governance and compliance are reviewed on the same agenda. This membership recognises the importance and high profile of risk management in the organisation and facilitates senior ownership of the identification and management of risks on a continuing basis. This is important in ensuring that the Trust takes an integrated approach to governance and risk management issues, whilst proactively identifying and addressing risks pertinent to the delivery of objectives and KPIs.

The Trust employs a Board Assurance Framework (BAF) as the framework for identification and management of strategic risks. Each area of service within the Trust is required to regularly update their risk registers to ensure that performance issues are identified and addressed, with corresponding actions and mitigations monitored in a timely manner. This enables risk and uncertainty around performance to be managed.

Sustainability

Sustainability means spending public money well, the smart and efficient use of natural resources, and building healthy, resilient communities. Demonstrating that we consider social and environmental impacts ensures we meet legal requirements in the Public Services (Social Value) Act (2012).

The Director of Corporate Services is the Lead Director for environmental sustainability. The Trust has a Good Corporate Citizen Group, with wide-ranging representation (which is set out in the diagram below) and it reports to the Board through twice-yearly reports.

Planning

We have drafted a new Green Plan and are updating it to fully reflect the NHS 2040 carbon net-zero target which will include our plans for decarbonising our own estate and energy services. The final Green Plan – which will include a Heat Decarbonisation Plan – will be published when detailed guidance currently being produced by NHSE, has been received and evaluated.

Measuring sustainability

One of the ways we measure our impact is through the Sustainable Development Assessment Tool (SDAT). Our rating continues to improve, and in 2020 we scored 76% (a 4% improvement on 2019). The SDAT shows the Trust is clearly contributing to 14 of the 17 International Sustainable Development Goals (ISG). In particular, good progress has been made during the year to control our carbon emissions (ISG 12; Responsible Consumption

and Production, and ISG 13; Climate Action), and to encourage sustainable and healthy transport (ISG 3; Good Health and Well-being, ISG11; Sustainable Cities and Communities, ISG 15; Life on Land and ISG 13; Climate Action). We continue to offer Apprenticeships (ISG 4; Quality Education and ISG 8; Decent Work and Economic Growth).

and is starting to contribute to the remaining three:

Energy used

The Trust invested in its own power generation plants in the early 2000s; this gave good financial and carbon savings, compared with importing electricity directly from the electricity grid. The electricity grid carbon factor is now reducing and the time has come to review our own power and energy services equipment to achieve further carbon emission reduction. This will form part of our proposed Decarbonisation Plan.

Energy usage is primarily dictated by weather and 'static' loads from lighting and clinical equipment. We have invested heavily in new LED lighting and we anticipate over a full year, this will reduce CO2 emissions by about 1400 tonnes per annum. We have also invested in speed controls on pumps and ventilation plant and are now embarking on replacement of the Building Energy Management System to bring about better control of heating and ventilation, with consequent energy savings.

In April 2021, the Trust moved to a Green Electricity tariff and this has avoided emission of 2170 tonnes of CO2

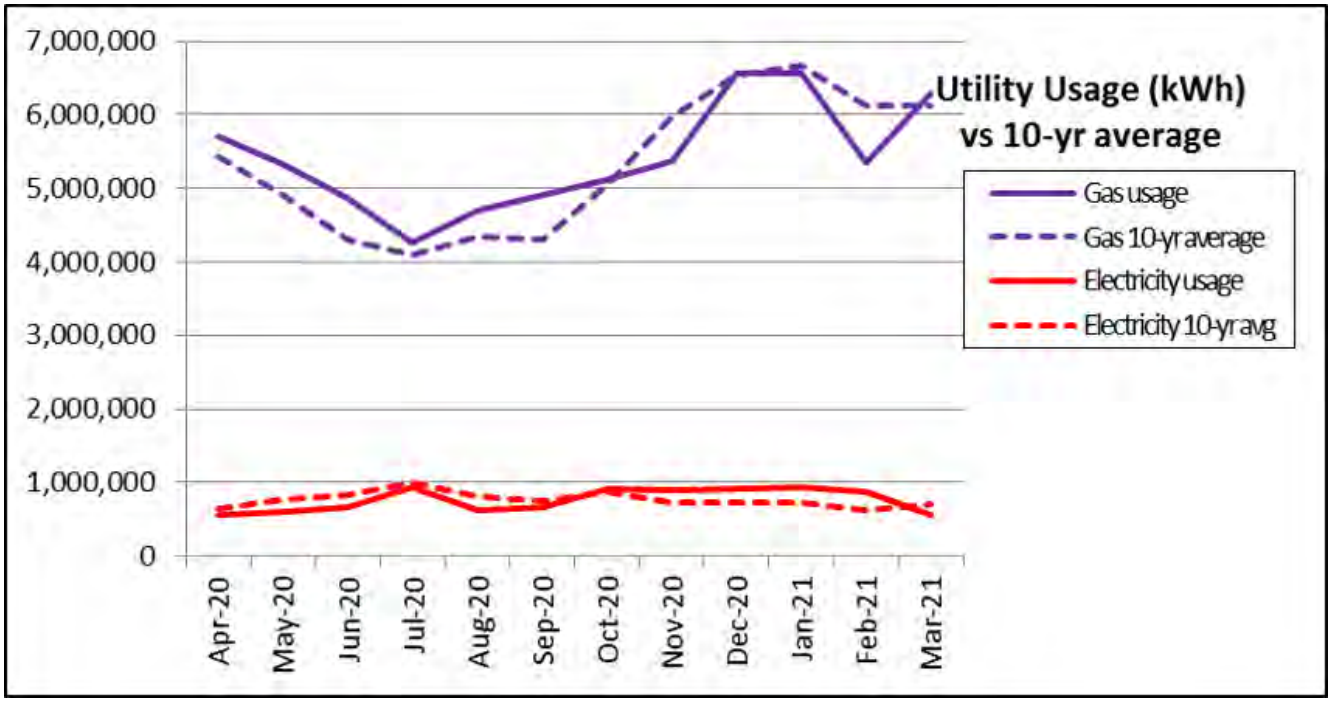
We are looking at the installation of Electric Vehicle charging points for staff and the public. Whilst this will increase our electricity usage, it will contribute to the global reduction in transport-related emissions and will possibly encourage staff uptake of EVs, to the benefit of local air quality.

During the year, our electricity imported from the grid has increased by approximately 10% compared with the previous year. This is mainly (9%) attributable to issues that have now been resolved with the Trust's power generating plant. The remainder (1%) is a real-time increase in usage but this is within the normal annual fluctuation expected and is much lower than out increased estates footprint. Our gas usage has increased by circa only 1% during the same period; whilst the year itself was 2%; colder in our region.

Nevertheless, the energy-efficiency steps that we have so far taken, will have avoided a further increase to our energy usage and carbon emissions, irrespective of the power plant issues.

The general pattern of energy usage is shown below, noting the dips in gas usage due to power plant issues. The slightly higher-than average electricity import from the grid is as a consequence of these issues. Whilst this actually brought about an overall reduction in the

Trust's carbon emissions (as a result of the electricity grid now being much less carbon intensive than in previous years), it did result in a cost pressure to the Trust.



Water usage

Water usage for domestic purposes is fairly consistent from year-to-year. The coronavirus pandemic will however, have resulted in more hand washing and building cleaning, inevitably resulting in greater water usage for these purposes. Overall however, the effect of the pandemic has been to bring about a 6% reduction in water usage compared with the previous year; as a result of reduced in- and out-patient attendances during the period.

The Estates Department continues to maintain the steam heating systems to ensure that water usage is minimised. We will be investigating as part of our response to the NHS objective to achieve net-zero carbon, the options available to move away from the present chemical- and water-using steam heating system.

Waste produced

The Trust continues to ensure compliance with disposal of its waste. All our domestic waste is sent to an energy recovery facility to generate electricity. We segregate recyclable material such as metal and card where this is logistically possible.

The Trust has a furniture reuse system to enable staff to internally exchange furniture between departments. The process has also brought in considerable amounts of furniture from external organisations and hence given in-year estimated financial savings circa £87k to the Trust, whilst also reducing the quantity of perfectly good furniture that would otherwise be sent for destruction, to the tune of approximately 2.5 tonnes each month.

Our clinical waste has increased during the year by 19% (182 tonnes) – attributable to the additional waste PPE being generated as a result of the coronavirus pandemic (over 3million items of PPE per month). This is a situation being experienced across the NHS and has resulted in considerable pressure on the county's waste industry. The Trust has worked very closely with its waste contractor, to ensure that the clinical waste was adequately managed and disposed of in accordance with legal requirements during this difficult period, whilst maintaining safe and efficient waste removal from the hospital.

As part of a new clinical waste contract, this category of waste will be taken to a local transfer station for treatment or onward processing. This will reduce the transport-related environmental impact.

Transport

The daily commute of our staff has a huge impact on the local environment in terms of vehicle numbers, noise, air quality and the demand for parking. We have a car-share web portal to encourage staff to share their commute (although this can be challenging with shift working). We also encourage staff to use public transport and the local cycle routes as means to get to work.

Approximately 18% of staff choose not to bring their car to work, using instead buses, cycles, a lift or walking.

We have also seen a significant increase in staff who can work from home being enable to do so for at least part of their working week, in line with Government COVID-19 recommendations. There has been approximately a 3.5% (200) reduction in the number of staff holding a parking permit during the pandemic.

There has also been a much greater use of technology to hold virtual meetings rather than travelling across county and further. Travel has been reduced by changes in clinical practice

e.g. Patient Initiated Follow-ups, virtual tele-consultations and a reduction of outpatient reviews, where clinically appropriate. This has all had a significant impact on reducing the number of cars on site.

Louise Barnett
Chief Executive
10 June 2021

Financial Performance summary 2020/21

For 20/21 the Trust delivered an adjusted financial performance deficit of £3.8m (compared with £26.1m deficit in 2019/20). This was £4m favourable to the Trust's £7.7mforecast deficit. The adjusted financial performance deficit was £3.8m adverse to the Trust's breakeven control total.

As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes.

Further the Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. For the reasons above the 20/21 and 19/20 financial position are not directly comparable, however, the table below sets out the underlying deficit by presenting income on a like-for-like basis:

	20/21 £m	19/20 £m
Adjusted financial performance deficit	**(3.8)**	**(26.1)**
Add back:		
Top up funding	(47.8)	
Provider Sustainability Funding		(2.9)
Financial Recovery Funding		(1.9)
Marginal Rate Emergency Tariff funding		(4.8)
Underlying deficit	**(51.6)**	**(35.7)**

The increase in the underlying deficit of £15.9m reflects continued investment into the services provided by the Trust to improve their quality and safety. During the year the Trust has recruited an additional 252 nurses of whom 212 have joined through our successful overseas recruitment campaigns and an additional 18 consultants. Further the Trust has opened new facilities such as the SDEC and the PAU as part of investment in our emergency care services.

Our pay cost has increased by £43.7m of which £14.7m relates to additional COVID-19 costs including vaccination and testing, £11.4m due to additional staff recruitment, £8.0m for pay inflation and £6.0m in respect of the annual leave accrual. Importantly our staff have worked additional hours throughout the year resulting in the costs of our staff bank increasing by £6.7m.

Other areas of revenue investment have included premises in response to COVID-19 and in our digital programme as we have commenced the implementation of our plans to transform the way that the Trust works.

Working capital and cash

The Trust as a result of the timing of cash payments under the COVID-19 financial frame- work has made significant improvements in Trust performance against Better Payment Practice Code with 92.9% of non NHS creditors and 93.0% of NHS creditors paid within 30 days (19/20: 39.1% and 83.3% respectively). Further the Trust successfully paid 43.8% by volume and 30.1% by value within 7 days during 20/21 reflecting improvement in core financial processes across the Trust.

Further to changes to the capital and cash regime published by DHSC in April interim revenue and capital loans as at 31 March 2020 of £82.6m were extinguished and replaced with the issue of Public Dividend Capital (PDC). This means that the Trust does not have to fund the repayment nor interest charges.

Capital

The Trust has successfully delivered a capital programme of £42.8m (19/20: £22.9m and 18/19: £14.1m). The Trust funded capital expenditure £17.2m from its own cash resources. This expenditure include £6.2m of IT and Digital investment, £4.9m on medical equipment, £3.2m on estates and £1.9m in respect of Clinical Support Services (Pathology, Radiology and Radiotherapy).

The remainder of the capital expenditure of £25.2m was funded through Public Dividend Capital and included:

- Emergency care – SDEC £6.3m (A further £9.3m is committed for the refurbishment of the RSH Emergency Department in 21/22 and work has commenced)
- Critical Infrastructure Risk (estates backlog) £5.8m

- Adapt and Adopt Diagnostics (CT scanner and MRI scanner) £3.3m
- PRH – Priority Assessment Unit £2.0m
- Pathology Laboratory Information Management System Programme £1.9m
- Local Health and Care Record Programme £1.3m
- COVID-19 capital schemes £1.2m
- Health System Led Investment £1.0m
- Adult Critical Care £0.8m
- Digital Breast Screening £0.7m
- Digital Aspirants £0.5m
- LED Efficiency Lighting Scheme £0.4m
- Radiology Breast Screening Mobile Units £0.1m
- Interface of Rapid testing Devices (Point Of Care Testing) £0.1m

In setting the key objective for 20/21 financial year to be the establishment of sound financial foundations and governance arrangements the Trust is recognising this as one of the first steps on the journey to financial improvement together with the development of a clinical sustainability strategy and the culture to sustainably change and transform the Trust.

The Trust has taken steps to develop its financial and operational planning processes in the development of the 20/21 Operational Plan. This will form the foundations for the Trust's 21/22 future annual planning cycle for both Operational and Strategic Plans by:

- Providing a baseline for further developments
- Outlining key strategic timescales
- Providing context and direction for 2021/22 operational planning in terms of ad- dressing structural, quality and financial challenges and developing capability across Trust infrastructure, quality, people, and performance
- Providing a financial plan template that can be updated dynamically to reflect changes to priorities and assumptions

Further through the second half of the year the Trust has worked with partners to build on and refine these scenarios to support effective planning for the future shape of sustainable services across Shropshire, Telford and Wrekin Integrated Care System and specifically in relation to the system improvement plan and the 20/21 winter plan.

From the fourth quarter of 20/21 the focus of this work has then shifted to 21/22 and the requirement to stabilise the financial position and to build a financial recovery plan at both Trust and system level that addresses quality and service issues as well as putting in place the transformation required to reduce the expenditure run rate and improve the financial position from 22/23.

The Trust is fully engaging with partners in the Shropshire, Telford & Wrekin Integrated Care System ("ICS") to develop plans to improve the financial position of Trust and ICS and recognises the necessity for system partners to work collaboratively to deliver real financial improvement rather than simply moving the financial challenge between the CCGs and Trusts.

Financial outlook

The Trust has submitted a financial plan as part of the system plan to NHSE/I for the first six months of 21/22 and will continue to work to develop a Financial Recovery Plan that balances financial improvement with investment in quality of care and services, investment to address IT, medical equipment and estates backlog and funding to enable transformational and strategic change.

6 Accountability Report

Directors' Report

The Board of Directors present their report and audited financial statement for the year ended 31 March 2021. The Directors are responsible for preparing the Annual Report and Accounts, and consider the report, taken, to be a fair, balanced and understandable account of the performance of the organisation during the year 2020/21. The information within this report provides details for our stakeholders on the Trust's performance, business model and strategy.

The Directors' report has been prepared under direction issued by NHS England, as set out in the NHS Act 2006 as well as the Department of Health and Social Care Group Accounting Manual 2020/21.

Board Members for the year ended 31st March 2021

Board of Directors

Non-Executive Directors

Catriona is a physician with over 16 years' experience in pharmaceutical medicine. She worked for AstraZeneca in the UK as their Medical and Healthcare Affairs Director until December 2014. She has wide experience of working as a national level board member in both the UK and Canada.

Dr Catriona McMahon
Chair

Chair: Remuneration Committee

Catriona is passionate about the NHS, patient access to innovation and excellence in patient care. She was the Chair of the Medical Expert Network and member of the Innovation Strategy Board and Reputation Strategy Group of the Association of British Pharmaceutical Industries (ABPI), and co-chair of the Ministerial and Industry Strategy Group (MISG) Clinical Research Working Group until December 2014. In addition, she is a former member of the National Institute of Health and Care Excellence (NICE) Appeals Panel and NICE Neuroscience Guidelines Review Panel.

As well as her role as Trust Chair, she is a Non-Executive Director for University Hospitals Birmingham NHS Foundation Trust and owner of, and executive coach within, her own coaching business, specialising in supporting the development and delivery of senior leaders in the healthcare and life science sectors. She is also Lead Industry Member on the Scottish Medicines Consortium (SMC), working with both SMC and industry on health technology assessment processes and processes improvement.

Catriona attended Edinburgh Medical School and, prior to joining the pharmaceutical industry, she practised anaesthetics and critical care medicine in the north east of England for 9 years. She is a Fellow of the Faculty of Pharmaceutical Medicine and holds a Master of Public Health (Healthcare Management; Liverpool University) and a Masters in Science (Executive Coaching; Ashridge Business School).

Teresa Boughey
Non-Executive Director

Chair: Charitable Funds Assurance Committee

Member: Finance & Performance Assurance Committee; Quality & Safety Assurance Committee; Remuneration Committee

Teresa is the founder and CEO of Jungle HR, a national award winning strategic HR consultancy. She has more than 25 years' HR experience at senior manager and director level and has worked across a variety of sectors.

Teresa is a member of the Women and Work, and Women and Enterprise all-party Parliamentary Groups and has authored the Amazon #1 bestselling book 'Closing the Gap— 5 Steps to Creating an Inclusive Culture'.

Teresa is a Chartered Fellow of CIPD, a member of the Institute of Directors, and holds an MA in Human Resource Management.

Tony Bristlin
Deputy Chair

Non-Executive Director

Member: Audit & Risk Assurance Committee; Quality & Safety Assurance Committee; Remuneration Committee

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

He has more than 20 years' experience in the aviation industry, working in audit and finance.He is a Fellow of the Chartered Institute of Management Accountants and a Fellow of the Institute of Chartered Accountants England and Wales, having graduated with an MBA (Distinction) from Manchester Business School.

Tony is also Non-Executive Director Maternity Safety Champion and Member of the Trust's Ockenden Report Assurance Committee.

Finally, Tony is Non -Executive Director and Audit Committee Chair for Belong Ltd, a major charity based in the North West of England, specialising in elderly and dementia care.

David Brown
Non-Executive Director

Member: Quality & Safety Assurance Committee; Audit & Risk Assurance Committee; Finance & Performance Assurance Committee; Remuneration Committee

Since retiring from military service in 2000 as a Colonel, David has had senior executive experience as an MD and CEO in Engineering and the Oil & Gas sector. From 2014, he has run his own consultancy, specialising in business turn-around, managing change, strategic assessment, business development, and staff motivation.

David graduated from the University of London with a BSc Hons in Geology and has an MSc in Guided Weapons Technology, an MSc in Business Management as well as a PGDip in the Management of Change.

He is a Fellow of the CMI and a Chartered Manager, as well as a member of the Institute of Directors.

David is also Chair of the Trust's Organ Donation Group.

Dr David Lee
Senior Independent Director

Non-Executive Director

Chair: Quality & Safety Assurance Committee
Member: Audit and Risk Assurance Committee; Remuneration Committee

David has been a GP for 30 years and has worked in medical leadership roles within both the NHS and the in- dependent sector. He is Medical Director of CSC, a multi- national corporation providing information technology services and professional services. He is also a GP in Shropshire.

David is a committed proponent of clinical leadership and the benefit of effective clinical leadership for patients using health services and for the organisations which provide or commission them. In addition to his medical qualifications, David has an MBA from Leeds University and is currently training as an executive coach assessor.

Trevor is a both a Chartered Engineer and Chartered Surveyor after having initially trained in Architecture.

He has been a CEO or equivalent both in the public and private sectors for over 25 years in the public sector, and as a Senior NHS leader, he has led some of the largest NHS organisations in the UK with experience both from the Provider and Commissioning sectors, as well as working at both regional and national levels including STP/ICS development.

His last role was in the private sector where he was Vice President for IBM Watson's Healthcare Consultancy business for Europe, Middle East and Asia with a specific remit around Population Health and wider health and social care System integration and service reconfiguration.

Trevor additionally was a Secretary of State appointee to the NMC, has served as a trustee and Board member of the NHS Confederation and of the Princes Trust.

Key areas of experience and expertise:

- Board and Executive team building and development.
- Mentoring of both exec and non-exec leaders
- Strategic whole system redesign, integrated systems and population health
- System and organisational redesign
- Governance and Assurance systems
- Estates development and strategy

Prof. Trevor Purt
Non-Executive Director

Chair: Audit and Risk Assurance Committee

Member: Charitable Funds Assurance Committee, Remuneration Committee

Former Non-Executive Directors

Ben Reid OBE
Chairman
(to July 2020)

Ben, a qualified accountant is the former Group Chief Executive of the Mid-Counties Co-operative, a position he has held for 30 years.

He has held Non-Executive appointments including Chair of Walsall Healthcare NHS Trust (2004-2016) and was Chair of

Dudley and Walsall Mental Health NHS Trust. He has also held senior level positions with Lincolnshire Area Health Authority.

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

Tony Allen
Associate Non-Executive Director
(to August 2020)

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

Tony had 10 years' experience as head of finance in the private sector with organisations including National Museums Liverpool and the Institute of Occupational Safety and Health.

Brian Newman
Non-Executive Director

Brian had over 30 years' experience at managing director level in a variety of international businesses, including, for eight years, as Managing Director of GKN plc's global Wheels Division, which has headquarters in Telford.

He also had considerable Trade Association board experience including as Chairman of the board of the British Fluid Power Association.

Executive Directors

Louise Barnett
Chief Executive

Louise joined The Trust from her role as Chief Executive in February 2020 at The Rotherham NHS Foundation Trust, having joined them as interim Chief Executive in October 2013, prior to being appointed to the substantive position in April 2014.

She has previously held a number of NHS board positions, including Interim Chief Executive, Workforce Director and Organisational Development at Peterborough and Stamford Hospitals NHS Foundation Trust and Non-Executive Director at Sherwood Forest Hospitals NHS Foundation Trust.

Hayley Flavell
Director of Nursing
(from September 2020)

Hayley is a Registered Nurse with 30 years' experience within in the NHS, she has depth and breadth of experience of working as a Senior Nurse Leader in a number of Acute Hospital Trusts, more recently University Hospital Birmingham.

Hayley brings a lot of enthusiasm, energy and drive to her role enabling action, improvements and allowing others to deliver to the best of their ability. Hayley is passionate about developing a blended workforce that is fit for purpose now and for the future in order to deliver the best in care for our patients and local communities.

Nigel Lee
Chief Operating Officer

Nigel began his career as a helicopter pilot in the RAF, in both Search & Rescue and Special Forces roles. He served in Northern Ireland, the Falkland Islands and Iraq. His experience in healthcare began in 2006 as hospital director for the BUPA hospital on the Wirral, before Divisional Director role sat Alder Hey Children's Hospital and Aintree University Hospital.

Nigel has had senior operational roles with the Cheshire and Merseyside Major Trauma Network, as well as with a range of service configuration developments in the Merseyside area. Nigel joined the Trust from his role as Director of Secondary Care for the North Wales Health Board, where he was responsible for three hospital sites, Women's Services and the Specialist Cancer Centre. He led elective and diagnostics improvement projects, and played a lead role in the whole-system urgent care development programme.

Dr Arne Rose
Medical Director

Arne, originally from Kiel in Germany and who now lives in Birmingham, joined the Trust from his role as Associate Medical Director for Integration and Transformation at University Hospitals of Derby and Burton NHS Foundation Trust.

Outside of work, Arne carries out work for Restore UK, a charity which helps Syrian refugees settle in the UK.

Former Executive Directors

James Drury
Interim Director of Finance
(to 31 March 2021)

James had 14 years' experience as an NHS finance director in the regulatory, provider and commissioner sectors. His previous roles have included Director of Finance for NHS England (South Central) Buckinghamshire Healthcare NHS Trust and Northampton General Hospital NHS Trust and Project Director for the Buckinghamshire, Oxfordshire and Berkshire West System Transformation Partnership (STP).

Prior to joining the NHS, James was a Senior Assessment Manager for Monitor the Independent Regulator of NHS Foundation Trusts, and worked for KPMG in Audit, Transaction Services and Private Equity and as the Global Executive for the Chemicals industry. He is a member of the Institute of Chartered Accountants in England and Wales.

Maggie Bayley
Director of Nursing
(April to August 2020)

Maggie was an experienced registered nurse and executive director who has worked in a variety of set-tings including, teaching and general hospitals, Strategic Health Authority, and also with broader links nationally and the Department of Health. Maggie also worked as an executive coach mentor

The Role of the Trust Board

The Shrewsbury and Telford Hospital NHS Trust Board is legally accountable for the services it provides at the Trust and operates to the highest corporate governance standards. The Board's general duty is to act with a view to promoting the success of the organisation so as to maximise the benefits for the Members of the Trust and for the public. The Board sets the vision and strategic direction for the Trust; ensuring the Directors foster a positive culture, as well as putting in place enough management capacity and capability to deliver the strategic objectives of the organisation.

The Trust Board has collective unitary responsibility for all areas of performance of the Trust, whilst keeping patient safety central to its operation and ensuring that public funds are used efficiently and effectively for the benefit of patients and other stakeholders.

All voting Board directors (Executive and Non-Executive) are jointly responsible for Board decisions and have the same legal responsibilities.

The key responsibilities of the Board of Directors of the Trust are to:

- Set the strategic direction of the Trust ensuring that stakeholders' views are considered
- Ensure safe, high quality services which result in a positive patient experience are delivered in line with the principles of the NHS Constitution
- Strive for continuous improvement and innovation whilst ensuring adequate systems and processes are in place to deliver the Trust's Annual Plan
- Measure and monitor effectiveness and efficiency of services
- Ensure robust governance arrangements are in place and supported by an effective assurance framework which supports sound systems of internal control.

To support the Board of Directors in fulfilling its duties effectively, committees are formally established with Board approved terms of reference. The remit and terms of reference of these Committees were reviewed during the 2020/21 financial year to ensure continued robust governance and assurance.

Strategic priorities are set by the Trust Board annually, whilst the risks to achieving these priorities is monitored through the Board Assurance Framework (BAF), which provides the Board with a systematic process of obtaining assurance to support the mitigation of risks. The BAF is also used to identify potential risks to legal and statutory compliance.

Decisions delegated to management

The Executive Directors are responsible for the day-to-day running of the organisation and implementing decisions taken at a strategic level by the Board.

Board effectiveness and evaluation

All Board members undergo an annual performance appraisal.

The Chairman carries out the annual performance appraisal for the Non-Executive Directors and the Chief Executive. The Senior Independent Director (SID) carries out the annual performance appraisal for the Chairman. The SID meets collectively with Non-Executive Directors and separately with the Chief Executive before completing the process.

Board attendance during the 2020/21 period

Name	Role	Attendance by %
Ben Reid MBE	Chairman till July 2020	100
Dr Catriona McMahon	Chair from July 2020	100
Teresa Boughey	Non-Executive Director	91
Tony Bristlin	Non-Executive Director, Deputy Chair	100
David Brown	Non-Executive Director	100
Prof. Clive Deadman	Non-Executive Director	100
Dr David Lee	Non-Executive Director and Senior Independent Director	91
Prof. Trevor Purt	Non-Executive Director	100
Brian Newman	Non-Executive Director (till January 2021)	100
Louise Barnett	Chief Executive	100
James Drury	Interim Finance Director	100
Hayley Flavell	Director of Nursing	100
Dr Arne Rose	Medical Director	82
Nigel Lee	Chief Operating Officer	100

Board composition and meetings in 2020/21

In accordance with its Establishment Order, the Trust Board comprises six Non-Executive Directors, including the Chairman and five Executive Directors, one of whom is the Chief Executive.

The Chairman proactively encourages Board members to constructively challenge and explore proposals made to the Board and assist in developing proposals on strategy, priorities, risk mitigations and standards.

The Board held eight formal meetings in public during the course of the 2020/21 year. In the same period the Board met eight times in private.

Standing items on the meeting agenda are strategy, governance, patient feedback, integrated performance reports and summary reports of meetings of the Board committees, with the Board Assurance Framework reported on a quarterly basis as a standing agenda item at the Board. Detailed reports have been received on a broad range of strategic and governance issues.

A quorum of two thirds of Board members is needed for the meeting to take place.

The importance of the triangulation of understanding, challenge and assurance between Committees is recognised and reflected through cross-membership and reporting between Committees and through the receipt of summary reports to the Board of Directors.

The Board delegates some of its powers to its committees and these matters are set out within the Trust's Standing orders and Standing Financial Instructions and the Scheme of Delegation.

Board committee structure

The Board reviewed its committees during the first quarter of the 2020/21 financial year, resulting in the Board aligning its structure with best practice, whilst ensuring visibility of key areas. This resulted in the committees below being converted into groups:

- Sustainability Committee
- COVID-19 Assurance Committee (till August 2020)
- Emergency Department Assurance Committee
- Maternity Assurance Committee
- Workforce Committee

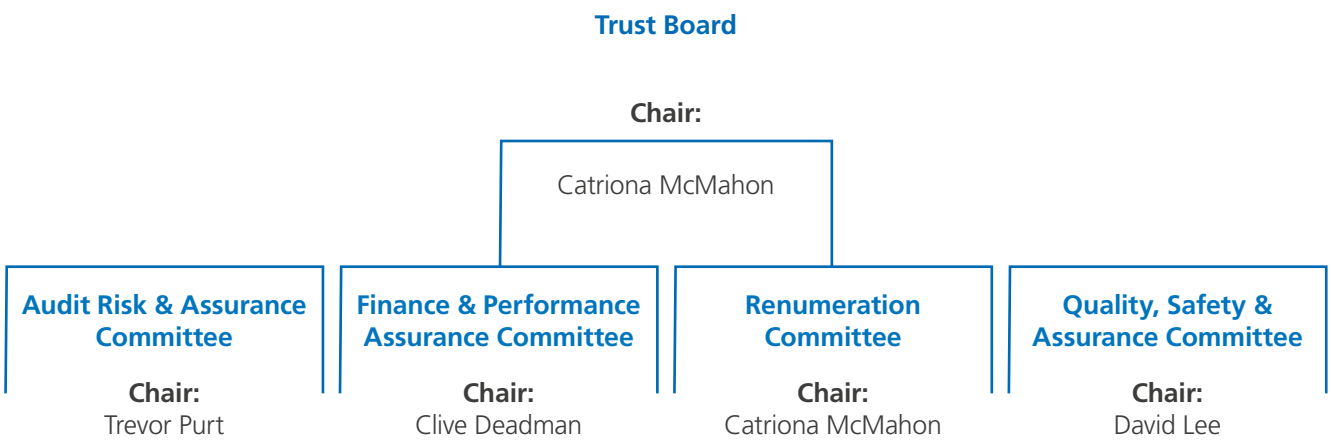
In addition, in July 2020 the Finance and Performance Committee were merged, and the Sustainability Committee's role was also incorporated within it.

The scope of the Quality and Safety Assurance Committee was further enhanced to incorporate the Workforce Committee, Emergency Department Assurance and Maternity Assurance Committees.

In August 2020, the Covid Assurance Committee was disbanded.

Following on from this theCOVID-19 assurance updates were given directly to the Board by the Chief Operating Officer and Medical Director, who led the COVID-19 response and assurance at Executive Director level, whilst the Executive Directors have maintained oversight at an operational level, linking in to the wider system externally to the Trust.

Board committee structure



Below is a brief overview of the remit of each of the prime scrutiny and assurance committees:

Audit Risk and Assurance Committee

The Audit Risk and Assurance Committee comprises four independent Non-Executive directors. It is chaired by Trevor Purt, and the other members of the committee during the year were David Lee, Teresa Boughey, and David Brown.

Periodically, the Audit Chairman may invite other Non-Executive directors to attend for a specific meeting or item on the agenda, in order to enhance the assurance provided to the

Committee.

The primary purpose of the Committee is to provide assurance to the Board of Directors about the continued effectiveness of the Trust's system of integrated governance, risk management, financial reporting and internal control. The Committee receives reports from the Trust's internal and external auditors and from the local counter fraud service.

The priorities for the Committee are to monitor the integrity of the Trust's financial statements and to review the Trust's financial and non-financial controls and management systems.

The Committee's work has focussed on the register of risks, controls and related assurances underpinning the delivery of the Board's objectives.

Executive directors, subject matter experts and the Director of Governance and Communications normally attend the meetings as well as the external auditor, KPMG LLP and Merseyside Internal audit, the Trust appointed internal auditors. Following a competitive tendering exercise MIIA was appointed as the new internal auditor and counter fraud specialist in April 2021. To provide assurance to the Committee, relevant colleagues from the Trust are also invited to attend certain meetings to provide a deeper level of insight into certain key issues and developments.

The committee receives and monitors the policies and procedures associated with counter fraud and corruption. An independent local counter fraud service provided by MIIA produces a counter fraud progress report giving updates on both reactive and proactive work undertaken in the Trust.

The purpose of internal audit is to provide the Trust, via the Audit Committee and the Chief Executive, with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving the Trust's agreed objectives. To provide this opinion, the internal auditor reviews the risk management and governance processes annually within the Trust and on a three-year cyclical basis the operation of internal control systems within the Trust.

A major factor in the effective operation and management of the internal audit service is the proper assignment of its resources to key areas meriting audit review. Initially these areas are identified by reference to the Trust's Board assurance framework and risk register which identify those risks which threaten the delivery of strategic and operational targets. Specific terms of reference for each audit are discussed and agreed with the lead Executive Director as part of the more detailed planning process; however, the plan provides a

summary / purpose of the audits. The annual audit plan is discussed with each Executive Director and with the audit committee, to enable audit resource to be focused on providing assurance against the key risks and areas of concern.

The schedule of reviews for each financial year is agreed by the audit committee. Reports on the issues raised and any follow up action are considered, together with management responses and the steps to be taken to avoid similar issues arising again. The day to day relationship with the internal auditor is managed by the director of finance.

The committee reviews and monitors the external auditor's independence, effectiveness and objectivity at least once a year.

The Committee met 5 times in 2020/21 and the attendance was as follows:

Membership Attendance: 2020/21

Name	Role	Attendance by %
Trevor Purt	Non-Executive Director and Chair (from February 2021)	100
Tony Bristlin	Non-Executive Director and Chair (to February 2021)	100
David Lee	Non-Executive Director	100
David Brown	Non-Executive Director	100
Teresa Boughey	Non-Executive Director and Senior Independent Director	100
Tony Allen	Associate Non-Executive Director (till January 2021)	100

Quality, Safety and Assurance Committee

The role of the Quality, Safety and Assurance Committee is to ensure that there are systems in place to monitor the quality of health and care services, ensuring the best clinical outcomes and experiences for patients.

As part of its remit, the Committee has a key responsibility to monitor the delivery of the clinical priorities whilst maintaining an oversight of the mitigation of associated risks. The Quality, Safety and Assurance Committee meets bi-monthly and its duties can be summarised as fitting into the following categories:

- Clinical Effectiveness
- Patient Safety
- Patient Experience
- Statutory duty of Quality
- Staffing
- Equality and diversity

During the 2020/21 financial year the committee was chaired by Dr David Lee. Committee member attendance for the period was as follows:

Name	Role	Attendance by %
Dr David Lee	Non-Executive Director and Chair	100
Brian Newman	Associate Non-Executive Director (till January 2021)	100
David Brown	Non-Executive Director	100
Dr Arne Rose	Medical Director	75
Hayley Flavell	Director of Nursing (from Sept. 2020)	83

Finance and Performance Assurance Committee

The Finance and Performance Assurance Committee membership consists of three non- executive directors, the Director of Finance, and the Chief Operating Officer from July 2020. Other executive officers of the Trust may attend depending on the nature of the agenda according to each agenda.

The committee met its delegated accountabilities and has been able to deliver assurance to the wider Board on financial, performance and commercial matters.

The Finance and Performance Assurance Committee has continued to make improvements in its effectiveness since undertaking a review in July 2020. It has performed well in its administrative duties. Specifically, delegated duties have all been performed as required by the Board, with regular Chair's assurance reports to the Board.

Committee member attendance for the period was as follows:

Name	Role	Attendance by %
Clive Deadman	Non-Executive Director and Chair	86
David Lee	Non-Executive Director	77
Tony Allen	Associate Non-Executive (till January 2021)	67
Trevor Purt	Non-Executive Director (until 30 June 2020	100
Teresa Boughey	Non-Executive Director	86
David Brown	Non-Executive Director	100
James Drury	Interim Director of Finance	100
Nigel Lee	Chief Operating Officer	85

Remuneration Committee

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

Remuneration Committee membership attendance was as follows:

Name	Role	Attendance by %
Ben Reid	(Non-Executive Director and Chairman to July 2020)	100%
Catriona McMahon	Non-Executive Director and Chair (from July 2020)	100%
Tony Allen	Associate Non-Executive Director (till January 2021)	87.5
Teresa Boughey	Non-Executive Director	100
Tony Bristlin	Non-Executive Director	100
David Brown	Non-Executive Director	100
Clive Deadman	Non-Executive Director	50
David Lee	Non-Executive Director	75
Brian Newman	Associate Non-Executive Director (till January 2021) the Non-Executive Director	50
Trevor Purt	Non-Executive Director	100

Modern Slavery Act disclosure statement

The Modern Slavery Act 2015 established a duty for commercial organisations to prepare an annual slavery and human trafficking statement of the steps it has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its own business.

The Department of Health and Home Office have established that NHS bodies are not considered to be carrying on a business where they are engaged in publicly funded activities and that it was not intended that such activities should be within the scope of the Act. Income earned by NHS providers like the Trust from government sources, including clinical commissioning groups and local authorities, is considered to be publicly funded for this purpose so the Trust does not meet the threshold for having to provide a statement. The Trust undertakes its procurement from suppliers in line with NHS standards and includes standard NHS terms. In relation to its own activities the Trust has employment, identity and employee welfare arrangements in place to combat any exploitation of people.

In accordance with the Modern Slavery Act 2015, the Trust is committed to ensuring that Modern Slavery i.e. slavery and human trafficking, is not taking place in any part of its own business or any of its supply chains. This is achieved through ensuring that services are procured through approved providers only or tendered through robust procurement processes.

The Shrewsbury and Telford Hospital NHS Trust aims to follow good practice and take all reasonable steps to prevent slavery and human trafficking. We are committed to ensuring that all of our employees are aware of the Modern Slavery Act 2015 and their safeguarding duty to protect and prevent any further harm and abuse when it is identified or suspected that the individual may be or is at risk of modern slavery/human trafficking.

We are committed to ensuring that no modern slavery or human trafficking takes place in any part of our business or our Supply chain. Section 54 of the Modern Slavery Act 2015 requires all organisations to set out the steps the organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains, and in any part of its own business.

The Trust has undertaken an assessment of areas of improvement to further mitigate potential modern slavery and human trafficking risks and to implement effective systems and controls.

To this end, the Trust is focussing on strengthening compliance arrangements pertaining to procurement, safeguarding and recruitment in the 2021/22 period, in order to enhance visibility of compliance with the Modern Slavery Act requirements.

Declaration Of Board Members' Conflicts Of Interest – 2020/21

Non-Executive Directors (Voting)	
Dr Catriona McMahon (Chair-man)	• Owner and Director, CMMK Ltd. • Owner and Director, TAC Ltd. • Shareholder, AstraZeneca • NED, University Hospital Birmingham NHS Foundation Trust • Agent, SaTH Charity
Teresa Boughey	• Director, Jungle HR Ltd • Director, Inclusion 247 Ltd • Business Board Member, Women and Enterprise All Party Parliamentary Group • Member, Women and Work All Party Parliamentary Group • Agent, SaTH Charity • Daughter, works at Robert Jones & Agnes Hunt • Oiagen, Client of Jungle HR Ltd
Tony Bristlin	• Non-Executive Director and Audit Committee Chair, Belong Group of Companies • Agent, SaTH Charity
David Brown	• Trustee, Telford & Wrekin Carers Partnership • Agent, SaTH Charity • Board adviser, MFL Engineering Ltd, Carlisle • Director, Prosenge Limitada, Brazil. • Governor, Charlton School, Telford • Director, Jidkonstar Engineering Solutions Ltd. Nigeria
Prof. Clive Deadman	• Chair, Energy Innovation Centre Investment Forum • Chair and Shareholder, 1905 Investments Ltd • Professor, Cranfield University • Group Chair, Halton Housing Trust • Agent, SaTH Charity
Dr David Lee	• Chief Medical Officer Clinical Safety, Dedalus Group (formerly Chief Medical Officer Clinical Safety Quality and Regulatory Affairs, DXC Technology) • Sessional GP, Shropshire, working principally at Alveley Medical Practice • Director, Massive Heart Consulting Limited • Agent, SaTH Charity
Prof Trevor Purt	• Agent, SaTH Charity • Advisory Board Member, University of Lincoln International Institute for Rural Health • Wife, Non-Executive Director Shropshire Community NHS Trust • Wife, Interim Director NHSE/I – Midlands • Director, NHS Arden and Gem Commissioning Support Unit, Effective Leadership Solutions

Executive Directors	
Louise Barnett	• Agent, SaTH Charity • Husband, Chair of QEH Kings Lynn NHS Trust • Husband, Chair and Client Partner of SSG Health Ltd • Husband, Visiting Chair of Cranfield University
James Drury	• Agent, SaTH Charity
Hayley Flavell	• Agent, SaTH Charity
Nigel Lee	• Agent, SaTH Charity
Dr Arne Rose	• Agent, SaTH Charity • Life Partner, Regional Director, NHSE (East of England) • Life Partner, Chairwoman, Show Racism the Red Card Charity

Data Security and Protection Toolkit Attainment Levels

All organisations that have access to NHS patient data and systems must use the Data Security and Protection Toolkit (DSPT) to provide assurance that they are practising good data security and that personal information is handled correctly. Due to COVID-19 the date for the 19/20 submission was temporarily changed to September 2020, where it obtained the assessment level of 'Standards not fully met (plan agreed)'. At the time of writing this report, the Trust is working towards the actions within the 19/20 action plan as well as working towards submitting its 20/21 submission in June 2021.

Information Governance (IG) incidents are reported via the Trust's incident reporting system and for the year of 20/21, the Trust has reported 10 incidents to the Information Commissioners Office between 1 April 2020 to 31 March 2021 via the Data Security Reporting Tool, of which 3 were not reportable, 5 were reportable to the ICO and 2 were reported to the DHSC/ NHS England and ICO. The ICO has not taken action against the Trust for any of the reportable incidents. The Trust monitors compliance of IG Training which is part of the statutory and mandatory compliance with staff required to undertake yearly data awareness training. In addition, any areas or individuals identified through incidents are directly fed back to and supported to improve their IG practices.

NHS Foundation Trust Code of Governance compliance

In determining its governance arrangements, the Trust has regard for the revised UK corporate governance code 2014 issued by the Financial Reporting Council, the updated NHS Foundation Trust Code of Governance 2014 issued by NHS Improvement (formerly Monitor) and other relevant guidance, where provisions apply to the responsibilities of the Trust. The following paragraphs, together with the annual governance statement and corporate governance statement, explain how the Trust has applied the main and supporting principles of the code.

The Shrewsbury and Telford Hospital NHS Trust is committed to maintaining the highest standards of corporate governance. It endeavours to conduct its business in accordance with NHS values and accepted standards of behaviour in public life, which include the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership (the Nolan principles).

For the year to 31 March 2021, the Trust has applied the principles of the code of governance on a 'comply or explain' basis. The Trust complied with all the provisions of the Code.

The following table outlines the Trust's compliance with the Code of Governance

Ref	Criteria	Compliance status	Evidence/Assurances
LEADERSHIP			
The role of the Board of Directors			
A.1.2	The annual report should identify the Chairperson, the deputy Chairperson (where there is one), the Chief Executive, senior independent director (see A.4.1) and the Chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors. Part of this requirement is also contained within paragraph 2.22 as part of the directors' report.	Compliant	The 2020/21 Annual report details all Board and relevant committee member- ships and attendance in the Directors report and the remuneration report.
EFFECTIVENESS			
The composition of the Board			
B.1.1	The Board of Directors should identify in the annual re- port each Non-Executive Director it considers to be in- dependent with reasons where necessary	Compliant	This disclosure is outlined in the Directors' report. Requirements are set out within the constitution Non-Executive directors are also required to meet fit and proper persons and NHSE conflicts of interests requirements
Appointments to the Board			
B.2.2	Directors on the Board of Directors should meet the "Fit and proper" persons test described in the provider licence.	Compliant	Fit and proper" persons declarations made by each Director annually, as well as the implementation of action plans arising from the internal audit in the 2020/21 period. This includes the revision of the Fit and Proper Persons Policy which was approved by the Board in March 2021.
Evaluation			
B.6.1	The Board of Directors should state in the annual report how performance evaluation of the Board, its committees, and its directors, including the Chairperson, is conducted.	Compliant	Ongoing review of committee structure and effectiveness thereof; Committee and Board self-assessments. Internal and external auditor perspectives Ongoing Board Development Programme; Chairman and Director appraisal processes; Information included in the Directors report of this annual report.

Ref	Criteria	Compliance status	Evidence/Assurances
B.6.2	Where there has been external evaluation of the Board and/or governance of the Trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the Trust.	Compliant	Not applicable.
ACCOUNTABILITY			
Financial, quality and operational reporting			
C.1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy. There should be a statement by the external auditor about their reporting responsibilities. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).	Compliant	Incorporated within: • Accountability report of this annual report • Statement of Accountable Officer responsibilities • Report of external auditors Annual Governance Statement • External Audit Letter of representation
Risk management and internal control			
C.2.1	The annual report should contain a statement that the Board has conducted a review of the effectiveness of its system of internal controls.	Compliant	Annual Governance Statement. • Head of Internal Audit • Opinion • Internal Audit reviews of Committee structures and reporting • Board development sessionson risk management and assurance
C.2.2	A Trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Compliant	Incorporated within Annual Governance Statement
Audit committee and auditors			

Ref	Criteria	Compliance status	Evidence/Assurances
C.3.9	A separate section of the annual report should describe the work of the committee in discharging its responsibilities. The report should include: a. the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; b. an explanation of how it has assessed the effectiveness of the external audit processand the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure ofthe current audit firm and when a tender was last conducted; and c. if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.	Compliant	Incorporated within Annual Governance Statement disclosure.
The Level And Components Of Remuneration			
D.1.3	Where an NHS Foundation Trust releases an Executive Director, for example to serve as a Non-Executive Director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the Director will retain such earnings.	Compliant	Compliant
Relations With Stakeholders			
Additional	The annual report should disclose details of company directorships or other material interests in companies held by Directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the Trust.	Compliant	Incorporated within directors' report.

The Board of Directors has in place governance policies and procedures that reflect the principles of the NHS Foundation Trust Code of Governance which include:

- Standing Orders of the Board of Directors, Scheme of Reservation and Delegation of Powers and Standing Financial Instructions
- Induction programme for Executive and Non-Executive Directors
- Non-Executive Director regular private meetings with the Chairman
- Senior Independent Director in place
- Register of Interests for Directors, Senior Managers and Decision Makers published.
- Maintaining attendance records for Director meetings and committees
- Formal performance appraisal process for Non-Executive and Executive Directors
- Formal performance appraisal process for the Chairman led by the Senior Independent Director
- Good quality and timely reports presented to the Board of Directors and its Committees
- Recruitment of Executive Directors approved and led by a Remuneration Committee of Non-Executive Directors.

Louise Barnett
Chief Executive
10 June 2021

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 Shrewsbury and Telford Hospital NHS Trust 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 Shrewsbury and Telford Hospital 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 The Shrewsbury and Telford Hospital 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 The Shrewsbury and Telford Hospital NHS Trust (the Trust) for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

I have the overall responsibility as Chief Executive and Accounting Officer, for the management of risk in the organisation.

To support me, each member of the executive team has an area of responsibility for risk management in accordance with their portfolios and as reflected in their role descriptions, which supports me in my role as Accounting Officer.

The role of the Board of Directors is to effectively govern the organisation, and in doing so, to deliver high quality care for the population we serve. The Trust faces a journey of improvement, with conditions on its licence imposed by both of the principal healthcare regulators; with a change in a number of non-executive and executive director posts over the last 18 months, also having an impact. In-year changes to the voting directors can be found on pages 24-29.

As an impact of the Covid-19 pandemic, the cycles of business of the Board of Directors and its committees were disrupted throughout the year as the Trust adapted to a 'command and control' approach with board meetings and committees considering limited, yet critical, matters. To support this, the board established a Covid-19 Assurance Committee, made up of both executive and non-executive directors.

During the first wave of the pandemic, the Trust followed national guidance in order to respond to severe operational issues, and the Board limited transaction of non-business critical matters. This was again repeated later in 2020, and again in early 2021 as a further wave of the pandemic further affected services and operational matters, and like many other NHS organisations, the Trust adapted by increasing its critical care capacity and we redeployed staff to key areas. Widely acknowledged across the NHS during the first wave of the pandemic was the risk of providing PPE, medical equipment and supplies to support safety of both patients and staff, and therefore, close monitoring and oversight of the situation was in place throughout.

Following the peak of the pandemic, and with the national vaccination programme underway, it was possible to resume a more usual cycle of business from April 2021, with meetings held in public albeit live streamed.

There are governance arrangements throughout the divisional triumvirate structures ('Care Groups' prior to December 2020) where divisional performance is overseen and monitored by the executive team, and key risks to delivery of services are identified. These performance Review Meetings were stood down during the pandemic, with escalation of issues through the incident structure, with the meetings having now been fully reinstated.

The risk and control framework

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risks which may lead to failure of objectives and the organisational strategy. It is based on an on-going process of identifying and prioritising the risks to the achievement of the Trust's strategy, and evaluating the potential for those risks to be realised and the impact that they might have, whilst ensuring as far as possible that they are managed effectively, efficiently and economically.

The Board of Directors is responsible for ensuring overall sound risk management systems are in place throughout the organisation, and is supported by a number of board assurance committees which oversee the effectiveness of risk management, internal control and assurance arrangements.

Following a review of the board committee structure during the year, these committees were streamlined and now comprise the Audit and Risk Assurance Committee, Quality and Safety Assurance Committee, and the Finance and Performance Assurance Committee.

Further details of the committees are provided on pages 31-34.

In addition, in response the Ockenden Report[2], the Ockenden Report Assurance Committee was also established and held its first meeting in March 2021. A framework of operational committees sit below the board

2 www.gov.uk/official-documents. (2010) Ockenden Report – Emerging Findings and Recommendations from the Independent Review of Maternity Services at Shrewsbury and Telford NHS Trust; Our first Report following 250 Clinical Reviews.

assurance committees, which provide the process through which risks are monitored throughout the organisation and up to the Board. In addition, the Senior Leadership Committee (Operational and Transformation), and the new monthly communications cascade, and divisional and operational meetings, all provide forums at which risks to the organisation are considered.

The Board Assurance Framework provides the Trust with a system to identify and monitor risks which may affect achieving the strategic objectives. Each risk is mapped to corresponding controls and assurances, both internal and external.

During 2020/21, a review of the Trust's risk management framework was undertaken by an external consultant. This included a review of the IT system used to monitor and record risk (4Risk), a refresh of the Risk Management Strategy and Risk Management Policy (for approval in Q1 2021/22), a proposal for the re-energised Board Assurance Framework (BAF) document, and the roles and responsibilities allocated to individuals and groups. It was further identified that training should be rolled out across the organisation to support the development of a robust risk management framework and theTrust's capability to consistently manage and mitigate risk (to begin during Q1 2021/22).

A revised process for the review and monitoring of the BAF and risk register by the Board of Directors for 2021/22 was implemented with presentation of the 2020/21 year end strategic and high level operational risk registers, with the intention that they be presented to the board of directors on a quarterly basis going forwards, following a cycle of review through the board committees. It is recognised that whilst a working BAF is in place, there is still work to be carried out to ensure that it properly aligns with an overall medium to long- term Trust strategy which includes the long-term clinical strategy.

The risk appetite is set by the board, forms part of the Risk Management Policy, and was last updated in March 2021.

Further proposed changes to be made, include the re-introduction of the Operational Risk Management Committee, which was disestablished circa 12 months previously. This will provide a focussed forum for divisional teams to come together and focus on management and mitigations of risks across the organisation.

We have a Senior Independent Director in place who is available to any colleague should they have concerns that they feel they are unable to raise via normal communication channels with the Chair, Chief Executive or any of the board members.

Major risks to the organisation

The 2019/20 Annual Governance Statement highlighted the following areas as major risks for 2020/21:

1. Improvements required in the quality of care to meet required standards and to address licence conditions;
2. Implementing the recommendations of the independent review of maternity services ('Ockenden Report');
3. Strengthening leadership and governance;
4. Improving financial performance; and
5. Financial and operational planning.

1 Quality of care, including standards of performance and licence conditions

This relates to the failure to deliver high quality patient care, leading to poor patient experience, avoidable harm and poor clinical outcomes.

Whilst there have been a number of areas where the Trust has been able to identify improvements in care by the end of 2020/21 (for example, VTE assessment, number of falls, c.diff infections, E.coli infections and the number of complaints received), the need for the Trust to progress with its improvement journey, remains essential.

This is reflected in the number of conditions that continue to be imposed on the Trust's CQC registration since 2018. Full inspections took place between August and September 2018 and November 2019 to January 2020. These inspections were supplemented by further focussed visits in April 2019 (Maternity) and (Mental Health), and February 2020 (Emergency Department).

Three inspections took place during 2020/21: June 2020 (End of Life Care), January 2021 (Critical Care – Princess Royal Hospital), February 2021 (Children and Young People – Princess Royal Hospital). At the end of March 2021, the Trust had a total of 35 Section 31 conditions against its registration, in addition to receiving 6 Section 29a warning Notices. However, two Section 31 conditions relating to maternity were removed from the licence in October 2020.

Furthermore, and an application was submitted to the regulator on 9 April 2021 to remove 11 Section 31 conditions. The Trust has received confirmation that 4 conditions have been removed, and is working to ensure that all conditions are lifted in due course.

The Trust received a fixed penalty notice of £4,000 from the CQC in September 2020 for failure to comply with a condition of registration relating to delays in triaging patients upon their arrival in the emergency department. Following inspections on 18 April 2019 and 29 November 2019, the CQC imposed seven conditions on the Trust's registration requiring them to report the time from admission to triage by a clinician. Following information sent to CQC from the Trust, it was identified that the conditions had not been adhered to, with the conditions having been breached at both the Royal Shrewsbury Hospital, and Princess Royal Hospital, between 18 April 2019 and 29 September 2020.

On 12 March 2021, the Trust received a letter (pursuant

to the Police and Criminal Evidence Act 1984) from the CQC regarding their criminal investigation into an alleged offence of failing to provide safe care and treatment for two named patients. The Trust responded to the claims within the deadline on 12 April 2021, and await the outcome of the investigation.

In March 2021, the Trust received replacement undertakings from NHSI, which built upon the actions which were agreed as a consequence of the Trust being placed in special measures for quality in November 2018 (as previously captured in the July 2019 undertakings). They also set out new actions to address issues which subsequently emerged, namely the matters arising through the Ockenden maternity review, and captured the NHS Improvement intensive support package, which including financial sustainability and operational performance measures, agreed with the Trust in August 2020.

In response to the quality concerns, the Trust developed a Getting to Good improvement plan which sets out the work streams which the Trust is progressing in order to improve quality of care for patients. This includes a focus on clinical and corporate governance, as well as culture to support the required improvements.

Part of the NHS support package included the establishment of an Improvement Alliance, which was formed with the University Hospitals Birmingham NHS Foundation Trust (UHB) to support the sustainable delivery of improved care to our patients and communities. The resource and expertise provided by UHB was provided to support the Trust to deliver the changes necessary to improve the quality of care provided to our patients.

Ongoing improvements to the Integrated Performance Report, provided to every meeting of the board of directors, has extended the breadth and range of indicators than had been provided at the beginning of the financial year (including the use of SPC charts). This has enabled the board to be better sighted, on performance issues which may affect the quality of care.

Nevertheless, in common with other NHS organisations, the main outcome of the Covid- 19 pandemic over the year, has been the effect on lengthening treatment waiting times and increasing the size of waiting lists. For example, 52-week breaches have increased from 37 patients (31 March 2020) to 3,271 (English patients only) in March 2021, and by 31 March 2021, the total RTT waiting list stood at 29,651 (English patients only).

This places increased pressures on the organisation and its partners to address the waiting lists, and the Trust continues to ensure clinical prioritisation and scheduling of inpatient and day-case waiting lists takes place. However, it is anticipated that the rate of growth in the backlogs is predicted to slow down due to lower numbers of referrals in Q1 2021/22.

The Trust has also continued to struggle with A&E delivery performance targets, and ended the year at 75.8% (74% in 2019/20) achievement against a target of 95% for the 4-hour wait standard, with 392 instances of patients waiting more than 12 hours prior to admission, and 2,093 ambulance waits of 60 minutes or more. However, the Trust saw virtually no corridor waits, which had been a repeated event during the previous year. The opening of our £6.3m SDEC (same day emergency care) facility in Shrewsbury in January 2021 will contribute to the measures that are in place to increase patient flow through the hospital, and our closer collaboration with partners will support improvement to urgent treatment pathways.

2 Implementing recommendations of the independent review of maternity services

On 10 December 2020, the first report from the independent review of maternity services at the Trust[3], was released by Donna Ockenden ('the Report'). The Report included:

- Twenty-seven Local Actions for Learning which were specific 'Must Do' actions for this Trust, and;
- Seven Immediate and Essential Actions for all NHS providers of maternity care, including this Trust. These seven themes comprised 25 related actions.

Accepting all of the recommendations and required actions from the Report, the Trust immediately commenced work to cross reference all of the actions against the ongoing work related to the Maternity Improvement Plan (MIP) and Maternity Transformation Plan (MTP) and, to incorporate the new actions that were not already in place.

On 14 December 2020, a letter was sent out from NHSI/E to all Chief Executives in response to the Report, setting out the requirements for Trusts to receive the Report at their next board meetings in public, and to complete an assurance statement confirming implementation of the seven Immediate and Essential Actions for all NHS providers of maternity care.

Since January 2021, the board of directors has reported progress against the required actions and recommendations. In order to provide transparency and the opportunity for more public engagement, the Ockenden Report Assurance Committee held its first monthly meeting in public on 25 March 2021, considering progress against the recommendations and actions, in more detail. For complete transparency, the Committee is co-chaired by Jane Garvey, former presenter of BBC 4's Women's Hour and an independent NED, alongside Catriona McMahon, the Trust's Chair. Members include Trust colleagues, together with representatives from the Shropshire Telford &Wrekin CCG, Maternity Voices Partnership, and Healthwatch.

Progress will continue to be monitored through the Trust's governance processes including by the Board of Directors, and the Trust awaits the final report from Donna Ockenden, which is anticipated to be published later in the year.

After their initial announcement of their intentions in June 2020, West Mercia Police continue to investigate

3 www.gov.uk/official-documents. (2010) Ockenden Report – Emerging Findings and Recommendations from the Independent Review of Maternity Services at Shrewsbury and Telford NHS Trust; Our first Report following 250 Clinical Reviews.

allegations of poor maternity care at the Trust. The independent police investigation will explore whether there is evidence to support a criminal case against the Trust or any individuals involved. The Trust continues to co-operate fully with the investigation.

To support the Trust's maternity improvement journey, a short term Maternity Improvement Partnership arrangement with Sherwood Forest Hospitals NHS Foundation Trust was entered into in March 2021. This arrangement will set the benchmark for clinical standards and support the development of clinical leadership and managerial capability together with introducing changes to working practices and culture.

3 Strengthening leadership and governance

Details of the Trust's voting directors, and the changes to those in post throughout the year, are highlighted at pages 24-29. Currently, all posts are filled, which includes the Nursing Director who is currently seconded from UHB. A substantive Finance Director was appointed effective 1 April 2021, replacing a long serving interim.

A substantive Director of Governance and Communications (non-voting), and interim Director of Strategy and Planning (non-voting) were also recruited during the year to complement and support the capacity of the existing team. In addition, the Board welcomed a new Chair, Dr Catriona McMahon with a clinical background, to the Trust.

The turnover of directors and senior leaders in the organisation over recent years, has clearly had an effect on those who look to us for direction, control and stability. However, with our team complete, a development programme for the whole board will begin shortly, which will complement the development provision currently provided to our executive team.

With the exception of the Chief Executive, the executive directors are all in their first board roles – and, this risk is also recognised, especially with the current regulatory Trust position - with the provision of support and development on an individual and team basis being provided.

There is a recognition that we now need to strengthen and develop our senior teams throughout the Trust, with a range of leadership development programmes have been developed to support clinical and non-clinical colleagues. These programmes will run alongside the extensive values-based work that has already begun, to support the change in culture and to create a great place to work for all colleagues, which will support the delivery of high quality of care to patients.

4 Improving financial performance

The key objective for the 20/21 financial year was to establish sound financial foundations and to deliver our financial plan. As a consequence of COVID-19 planning was suspended and a COVID-19 financial framework introduced initially for a four month period to 31st July 2020 but consequently extended until 30th September 2021.

The Trust was required to achieve a breakeven control total for the 20/21 financial year under the COVID-19 financial framework. At year end, the Trust's adjusted financial

position, was a deficit of £3.8m (compared with £26.1m deficit in 2019/20), and was £4m favourable to the Trust's £7.7m planned outturn deficit.

Due to the COVID-19 financial framework for 20/21 the adjusted financial deficit for the 20/21 and 19/20 financial years are not directly comparable.

Whilst the Trust deficit on a like for like basis worsened by £15.9m in 20/21, the Trust moved forward in strengthening financial foundations for financial recovery and transformation. Whilst there is still progress to make, significant achievements in the year included:

- Review of financial budgets across the Trust and alignment with income and expenditure run rates;
- Improved understanding of the drivers of financial performance across the divisions and services to facilitate the development of the Trust's financial , clinical and operational planning processes;
- Monthly financial reporting process accelerated to provide position in five working days;
- Standing Orders, Standing Financial Instructions and Scheme of Delegation strengthened and implemented;
- Implementation of performance management and accountability framework linked to operational management of the Trust;
- Changes to financial governance arrangements through COVID-19 to improve speed of decision making;
- Risk based capital planning processes in place for replacement equipment and backlog allowing Trust to make progress in addressing medical equipment, estates and IT infrastructure backlog;
- Substantial assurance opinions from our internal auditors on the key financial systems and Electronic Staff Record / Payroll systems;
- Significant improvement in Trust performance against Better Payment Practice Code with 92.9% of non NHS creditors and 93.0% of NHS creditors paid within 30 days (19/20: 39.1% and 83.3% respectively). Further the Trust successfully paid 43.8% by volume and 30.1% by value within 7 days during 20/21; and
- Future Focussed Finance Level 1 accreditation achieved in May 2021.

These achievements form part of the overall Trust development programme but also of a finance development programme, which was designed to confirm the requirements and expectations of the finance team and the skills required as well as moving out into the organisation to develop financial capabilities within the Divisions and Corporate Services.

5 Financial and operational planning

The Trust recognises the importance of sound financial foundations and governance processes to the successful delivery of improved financial and operational performance and has therefore focussed on

the development of its operational planning processes through the 20/21 financial year.

In the second quarter of 20/21 the Trust redesigned its planning process to allow the submission of an Operational Plan for the six months ending 31st March 2021. In developing the Operational Plan the key considerations was to provide a strong foundation for the Trust's future annual planning cycle by:

- Providing a baseline for further developments
- Outlining key strategic timescales
- Providing context and direction for 2021/22 operational planning in terms of addressing structural, quality and financial challenges and developing capability across Trust infrastructure, quality, people, and performance
- Providing a financial plan for 20/21 that can be updated dynamically to reflect changes to priorities and assumptions

Building on these foundations the Trust has worked with partners to build on and refine these scenarios to support effective planning for the future shape of sustainable services across Shropshire, Telford and Wrekin Integrated Care System in relation to the development of the system improvement plan and the 20/21 winter plan.

Further the Trust through its performance management and accountability system has monitored progress and variance from plans to inform the planning process for 2021/22.

From the fourth quarter of 20/21 the focus of this work has then shifted to the development of a financial and operational plan for 21/22 at both Trust and system level that addresses quality and service issues as well as stabilising the financial position and putting place the transformation required to improve the financial position from 22/23.

The work relating to the Hospital Transformation Plan has gained pace since the start of the 2021/22 year, despite an increase in the anticipated capital cost of the scheme rising from £312m in 2016, to £533m in 2019, with further increases possible. Working with partners, it is recognised that a number of key areas - resetting programme timelines, accelerating the implementation of acute reconfiguration of clinical models, and addressing the affordability challenge – require further focus and will continue to require Trust resources and further collaborative working to bring about delivery of the project.

Despite a number of actions and ongoing monitoring, **a number of these risks will be taken forward into 2021/22:**

- Required standards and quality of care may not achieved;
- Non-delivery against the Ockenden Report requirements;
- Poor performance against A&E and other access standards, partly due to the outcomes of the Covid-19 pandemic, and estate limitations;
- Not meeting the Trust and ICS's financial targets; and
- Further regulatory action, or potential criminal prosecutions, against the Trust

Furthermore, despite the recruitment of circa 417 WTE members of staff during 2020/21, similar to the remainder of the NHS, workforce capacity, and availability, remains a risk.

The Board of Directors, as required under NHS Foundation Trust condition 4(8)(b) assures itself of the validity of its Corporate Governance Statement. The Board has complied with the relevant aspects of the HM Treasury/Cabinet Office Corporate Governance Code. The Board of Directors reviews the Corporate Governance Statement every year to ensure that declarations being made can be supported with evidence. It considers the risks and mitigating actions that management provided to support the statements and determine, both from its own work throughout the year and assurances provided from the work of internal, external auditors and other external audits or reviews, whether the statements are valid.

Following an internal audit review relating to Fit and Proper Persons procedures, it was noted that a number of required processes were not in place. However, an action plan was put into place to mitigate the omissions, and with the actions complete, the Trust was therefore able to comply with the Corporate Governance Statement (pages 37-39).

With reference to the requirements of the Trust's Standing Orders and Standing Financial Instructions, no gaps in legal compliance have been identified.

The principal board assurance committee structure which discharges overall responsibilities for risk management is summarised below:

- The Trust Board is responsible for establishing principal strategic and corporate objectives and for driving the organisation forward to achieve these. It is also responsible for ensuring that effective systems are in place to identify and manage the risks associated with the achievement of these objectives through the Board Assurance Framework and the Corporate Risk Register.
- The Audit and Risk Assurance Committee, on behalf of the Board, reviews the establishment and maintenance of an effective system of internal control and risk management across the whole of the Trust's activities (both clinical and non- clinical) that supports the achievement of the Trust's objectives and also ensures effective internal and external audit.
- The Quality and Safety Assurance Committee (QSAC) is set up to provide assurance to the Trust Board and the Audit and Risk Assurance Committee that there are adequate controls in place to monitor the care given to patients using the services provided by the Trust, and to ensure that their experience of our services and outcomes are as expected.
- The Finance and Performance Assurance Committee (FPAC) is responsible for scrutinising aspects of financial performance as requested by the Board, as well as conducting scrutiny of major business cases, proposed investment decisions and regular review of contracts with key partners.

Risk assessment is a key feature of all business as usual management processes. All areas of the Trust have an ongoing programme of risk assessment which inform local risk registers. Operational risks are identified and evaluated using a 5x5 risk matrix, which feeds into the risk appraisal process. The risk registers are reviewed regularly through governance structures at both operational and corporate level, dependent on the severity of each risk. Each risk and related action have an identified owner who is responsible for risk monitoring, reporting and for implementing actions to mitigate the risk within a specified period. The Senior Leadership Committee reviews the highest rated risks on a monthly basis.

The board of directors is responsible for the approval of the Trust's Risk Management Strategy. The strategy describes an integrated approach to ensure that all risks to the achievement of the Trust's objectives are identified, evaluated, monitored and managed appropriately. It defines how risks are linked to one or more of the Trust's strategic or operational objectives, and clearly defines the risk management structures, accountabilities, and responsibilities throughout the Trust.

The Board Assurance Framework (BAF) is the mechanism which is used to identify and monitor the Trust's strategic objectives and manage the associated risks that may compromise their achievement. The BAF is reviewed on a monthly basis by the Executive Directors and will be formally reviewed quarterly by board assurance committees and the Board of Directors. Operational and other corporate risks with scores of 15 and above, are also reviewed by the Board as part of its regular monitoring of risk management.

There continues to be gaps in workforce that threaten service delivery. However, we have a number of mechanisms in place which allow us to monitor staffing levels to provide safe and effective care. Information about staffing levels is published monthly on our Trust external website, and we publish links to the Nursing & Midwifery Staffing papers discussed in public at our Trust Board meetings. The Trust also undertakes a nursing and midwifery establishment review every six months, which is reported to our Board of Directors.

We have considered the guidance and requirements set out within 'Developing Workforce Safeguards' published by NHS Improvement in October 2018. NHSI began assessing Trusts against the standards in April 2019. The Trust is ensuring compliance with these recommendations with its use of evidence based workforce planning, implementation of People Strategy and Recruitment and Retention Strategy. We will continue to explore and develop new roles, including widening our offer of Apprenticeships across the organisation, which will support care delivery. We currently have a number of new roles and programmes in place including Nursing Associates, Operating Department Practitioners, Nurse Apprentices, Physician Associated and Advanced Clinical Practitioners.

The Shrewsbury and Telford Hospital NHS Trust is required to register with the Care Quality Commission (CQC). **The Trust is not fully compliant with the registration requirements of the CQC**.

The Trust remains 'Inadequate' overall, with individual ratings against each domain as follows:

- Safe – Inadequate
- Effective – Inadequate
- Caring – Requires improvement
- Responsive – Inadequate
- Well-led – Inadequate

Additional work continues to ensure that actions to improve the ratings, are embedded and consistently applied. Regular reporting has also been provided to the Care Quality Commission, which is shared with the Clinical Commissioning Group and NHSE/I. Regular reviews of progress were undertaken and presented to the board of directors, and externally to the System Oversight and Assurance Committee (SOAG).

All serious incidents (SI) are reported to Commissioners and other bodies in compliance with current reporting requirements. The establishment of two new committees in-year, the Review Action and Learning from Incidents Group (RALIG) and Nursing Incident Quality Assurance Meeting (NIQAM), has supported the timely review of incidents and learning by the organisation. RALIG reviews incidents and near misses in an objective, thematic and clinically focussed forum where actions are agreed and learning points implemented across all Divisions. NIQAM ensures oversight of the serious incident investigation process relating to falls, pressure ulcers and hospital acquired infections.

The annual review of the Trust's Standing Orders, Standing Financial Instructions and Reservation and Delegation of Powers was undertaken during the year and approved by the Board of Directors. The Standing Orders were adhered to throughout the year and no compliance issues were recorded.

An incident reporting process is in place across the Trust via a web-based reporting system supplemented by paper forms. A network of safety advisers encourage reporting and the Trust supports an open culture, enabling any concerns to be raised in confidence with our Freedom to Speak Up (FTSU) Guardians.

The Trust's policy on Managing Conflicts of Interest in the NHS applies. Whilst the Trust has published on its website an up-to-date register of interests, including gifts and hospitality for decision-making staff (as defined by the trust with reference to the guidance) within the past twelve months, a recent internal audit review found that a low number of declarations had been made and a number of requirements as required by the 'Managing Conflicts of Interest in the NHS' guidance had not been met. As a result, a number of internal audit recommendations were made, accepted by management, and an action plan put in place to address the shortcomings. Details relating to the board of directors is published on the Trust website and is regularly updated.

The Board receives monthly workforce data via the Integrated Performance Report reported to the Board. In addition, the Board receives six-monthly updates specifically on nurse staffing.

The NHS Provider Licence is the main tool for regulating providers of NHS services. While NHS Trusts are exempt from the requirement to apply for and hold the licence, directions from the Secretary of State require NHSI to ensure that NHS Trusts comply with conditions equivalent to the licence as it deems appropriate. A number of additional undertakings applied in-year to the Trust by NHSI/E, have increased the number of requirements with which to comply.

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

Control measures are in place to provide assurance that all obligations under equality, diversity and human rights legislation are complied with. The Trust holds an annual Equality, Diversity and Inclusivity Stakeholder event whereby groups are invited to discuss potential service improvements to meet the needs of the local community. A dedicated Equality, Diversity & Inclusion Lead is in post at the Trust in recognition of increasing BAME representation within our workforce and communities.

The Trust has a sustainable development management plan in place for 2020/21, and takes account of UK Climate Projections 2018 (UKCP18). In this respect, the Trust can confirm that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

The Trust Board and its assurance committees have a key role in review of the effective use of resources. The board of directors retains oversight of the overall business planning process, budgets and use of staffing resources and establishment.

The Finance and Performance Assurance Committee meets monthly and has a key role in review of operational and workforce matters, investment decisions, and monthly financial performance.

In 2020/21, the Audit and Risk Assurance Committee focused on the effectiveness of controls in relation to risk management, information governance, stock control arrangements, Fit and Proper Persons, Mental Capacity Act (MCA) / Deprivation of Liberty Safeguards (DoLs), Agency Cap and staffing, Cyber, and financial controls.

The Quality and Safety Assurance Committee provided assurance to the Trust Board on efficient and effective quality of patient care. The Committee monitored progress against the Trust's quality improvement plan and key safety metrics.

External auditors carry out the audit of financial systems and comment specifically on Value for Money in their reports to the Audit and Risk Assurance Committee and the Board.

The governance structure at Executive level and below provide opportunities for specific divisions, service lines and departments to be challenged on their efficient, effective and economic use of resources within the respective services which they provide. All budget holders are provided with monthly financial information to help them ensure resources are used economically, efficiently and effectively.

However, with regard to the Trust's arrangements to achieve value for money (economy, efficiency and effectiveness), the Trust's External Auditor, KPMG, has identified a **significant weakness** relating to the arrangements for the Trust's response to compliance with the 52 Ockenden Report required actions, as at 31 March 2021. Whilst recognising that the Trust has made progress since December 2020 when the Report was issued, the auditors have highlighted there was insufficient time to evidence any actions having been completed by year end.

For 2020/21, the Trust's External Auditor, KPMG, have given an unqualified opinion for the Trust's financial statements.

Information Governance

The Trust has an established process for managing the Information Governance agenda, led by the SIRO, the Medical Director as Caldicott Guardian, and supported by a Data Protection Officer.

The Information Governance Committee is responsible for monitoring and controlling risks relating to data security.

The Trust uses NHS Digital's Data Security and Protection Toolkit (DSPT) to measure performance, and improvements over the previous year have been noted for 2020/21, although the Trust continues to work through its agreed improvement plan with NHS Digital.

The Trust reported ten incidents to the Information Commissioners Office between 1st April 2020 to 31st March 2021relating to information governance including data losses or confidentiality breaches.

Subsequently it was deemed that three were not reportable, five were correctly reportable to the Information Commissioners Office, and two were reported to the DHSC/NHS England and ICO. The ICO has not taken action against the Trust for any of the reportable incidents.

The Trust manages threats to cyber security on an ongoing basis. Weekly reports of

progress in implementing recommendations regarding nationally circulated cyber security threat information is being issued to a number of leaders in the organisation with a role in the oversight of cyber threats and risks to the organisation.

Data Quality and Governance

Our data quality colleagues have continued to work with heads of service, line managers and health professionals across the Trust to support provision of accurate and complete input of data. During the year, the integrated performance report (IPR) was further developed and presented to the board on a monthly basis. The document continues to be developed in response to the requirements of the organisation.

Following a substantial audit opinion from the Internal Auditors on the Trust's integrated performance reporting system and processes – Data Quality Review, the Board of Directors is currently assured that there are effective processes and controls in place to ensure the accuracy of data at the end of the reporting year ending 31 March 2021.

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 Shrewsbury and Telford Hospital 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 and Risk Assurance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place

The Board of Directors and its committees have met regularly and kept arrangements for internal control under review through discussion and approval of policies and practice and monitoring of outcomes agreed as indicators of effective controls. The Board and its committees review the Integrated Performance Report monthly, which covers the key national priority and regulatory indicators and locally derived key performance indicators. The report provides more detailed briefings on any areas of adverse performance. This report is supplemented by a number of more granular reports reviewed by board committees, and regular performance review meetings with the Divisions. The selection of appropriate metrics is subject to regular review, with changes in definitions or strategic priorities reflected in the selection.

Internal and external auditors provide assurance in respect of the internal control environment and the use of the organisation's resources. Audit findings and recommendations are monitored and progressed by the committees of the Board and the Audit and Risk Assurance Committee has an overarching overview for assurance purposes through the internal audit progress reports.

The purpose of the Head of Internal Audit Opinion is to contribute to the assurances available to the Accounting Officer and the Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control. The Opinion has assisted in the preparation of this Annual Governance Statement.

The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Board Assurance Framework and on the controls reviewed as part of the internal audit work. The Head of Internal Audit opinion for 2020/21 gave a limited assurance opinion on the system of internal control in place during the year:

"Limited Assurance, can be given that there is a compromised system of internal control as weaknesses in the design and/or inconsistent application of controls impacts on the overall system of internal control and puts the achievement of the organisation's objectives at risk."

Issues relating to the formulation of the opinion included work conducted through the risk based internal audit plan for 2020/21:

Three substantial assurance opinions:	Financial Systems ESR/ Payroll Trust's integrated performance reporting system and processes – Data Quality Review
One moderate assurance opinions:	Recruitment and Retention
Four limited assurance opinions:	Fit and Proper Persons Mental Capacity Act (MCA) / Deprivation of Liberty Safeguards (DoLs) Agency Cap and staffing Cyber
Four reviews with different assessment rating / or advisory in nature	Data Security & Protection Toolkit – Progress Review Data Quality Review Conflicts of Interest Risk Management Support and Board session, informing the development of the risk framework Covid-19 Financial Governance

A report was produced at the conclusion of each audit assignment and, where scope for improvement is found, recommendations are made and appropriate action plans agreed with management. Forty-one recommendations were raised during the year relating to the risk based audits, all of which were accepted by management. None of the recommendations were critical, but ten were high risk recommendations in relation to reviews of Fit and Proper Persons, Mental Capacity Act (MCA) / Deprivation of Liberty Safeguards (DoLs), Agency Cap and staffing, Recruitment and Retention, and Cyber.

My review is also informed by:

- Opinion and reports from our external auditors
- Financial accounts and systems of internal control
- Matters brought before the Board of Directors, and Board Assurance Committees
- Trust risk registers
- In-year submissions against performance to NHSI/E
- Department of Health performance requirements/ indicators
- Compliance with the Care Quality Commission essential standards for quality and safety for all regulated activities
- Progress against the Information governance assurance framework including the Data Security and Protection Toolkit
- Investigation reports and action plans following serious incidents (RALIG, NIQAM)
- The work of the Trust's Anti-Fraud Specialist who carries out a detailed work plan and specialist investigations.

Conclusion

Whilst this AGS documents a number of risks being carried by the organisation, these issues have been fully disclosed to our regulators and formal action plans have been agreed to address weaknesses in the areas where these have been identified.

Implementation of recommendations are being tracked and reported to the Board of Directors within the timescales agreed.

Nevertheless, whilst those risks are acknowledged, the system of internal control has been in place at the Trust for the year ended 31 March 2021 and up to the date of approval of the Annual Report and Accounts.

Louise Barnett
Chief Executive
10 June 2021

Annual Remuneration Report

Senior Managers' Remunerations Policy

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

The following table provides an overview of the remuneration awarded to senior managers during the 2020/21 financial year, based on the remuneration policy of the Trust.

The definition of 'senior managers' for the purpose of this 2020/21 report is those persons in voting executive director or non-executive director roles within the organisation.

The following tables are subject to audit review:

Salary and Pension entitlements of senior managers 2020/21

Name and Title	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Expense payments (taxable) total to nearest £100	Performance pay and bonuses (bands of £5,000) £000	Long term performance pay and bonuses (bands of £5,000) £000	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000
Ben Reid Chair (to 21/08/2020)	10-15	–	300	–	–	–	10-15
Dr Catriona McMahon Chair (from 22/08/2020)	20-25	–	700	–	–	–	25-30
Louise Barnett Chief Executive	205-210	–	–	–	–	85-87.5	290-295
Nigel Lee Chief Operating Officer	140-145	–	–	–	–	Not in NHS Pension Scheme	140-145
Dr Arne Rose Medical Director (from 17/06/2019)	210-215	40-45	–	–	–	Not in NHS Pension Scheme	250-255
Barbara Beal Interim Director of Nursing (from 16/06/2019 to 13/04/2020)	5-10	–	–	–	–	Not in NHS Pension Scheme	5-10
Maggie Bayley Director of Nursing (from 14/04/2020 to 31/08/2020)	55-60	–	–	–	–	Not in NHS Pension Scheme	55-60
Hayley Flavell Director of Nursing (secondment from University Hospital Birmingham from 01/09/2020)	70-75	–	–	–	–	215-220	290-295
James Drury Interim Finance Director	145-150	–	–	–	–	55-57.5	205-210

Name and Title	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Expense payments (taxable) total to nearest £100	Performance pay and bonuses (bands of £5,000) £000	Long term performance pay and bonuses (bands of £5,000) £000	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000
Tony Allen Associate Non-Executive Director (to 31/01/2021)	5-10	–	–	–	–	–	5-10
Teresa Boughey Non-Executive Director (from 01/09/2019)	10-15	–	400	–	–	–	10-15
Anthony Bristlin Non-Executive Director	10-15	–	400	–	–	–	10-15
David Brown Non-Executive Director (from 01/09/2019)	10-15	–	–	–	–	–	10-15
Clive Deadman Non-Executive Director	10-15	–	200	–	–	–	10-15
Dr David Lee Non-Executive Director	10-15	–	–	–	–	–	10-15
Brian Newman Non-Executive Director (to 31/03/2020) Associate Non-Executive Director (from 01/04/2020 to 31/01/2021)	5-10	–	–	–	–	–	5-10
Trevor Purt Non-Executive Director (from 01/09/2019)	10-15	–	500	–	–	–	10-15

Salary and Pension entitlements of senior managers 2019/20

Name and Title	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Expense payments (taxable) total to nearest £100	Performance pay and bonuses (bands of £5,000) £000	Long term performance pay and bonuses (bands of £5,000) £000	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000
Ben Reid Chair (to 21/08/2020)	30-35	–	2,400	–	–	–	30-35
Simon Wright Chief Executive (to 30/06/2019)	40-45	–35-40	–	–	–	45-47.5	125-130
Paula Clarke Interim Chief Executive (from 01/07/2019 to 309/02/2020)	120-125	–	–	–	–	Not in NHS Pension Scheme	120-125
Louise Barnett Chief Executive	25-30	–	–	–	–	70-72.5	95-100
Nigel Lee Chief Operating Officer	130-135	–	–	–	–	Not in NHS Pension Scheme	130-135
Dr Arne Rose Medical Director (from 17/06/2019)	160-165	30-35	–	–	–	Not in NHS Pension Scheme	190-195
Dr Edwin Borman Medical Director (to 16/06/2019)	35-40	–	–	–	–	7.5-10	45-50
Barbara Beal Interim Director of Nursing (from 16/06/2019 to 13/04/2020)	110-115	–	–	–	–	Not in NHS Pension Scheme	110-115
James Drury Interim Finance Director	110-115	–	–	–	–	45-47.5	160-165
Neil Nisbet Finance Director (to 17/06/2019)	30-35	–	1,500	–	–	0	30-35
Tony Allen Associate Non-Executive Director (to 31/01/2021)	5-10	–	1,900	–	–	–	5-10
Teresa Boughey Non-Executive Director (from 01/09/2019)	5-10	–	–	–	–	–	5-10

Name and Title	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Expense payments (taxable) total to nearest £100	Performance pay and bonuses (bands of £5,000) £000	Long term performance pay and bonuses (bands of £5,000) £000	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000
Anthony Bristlin Non-Executive Director	5-10	–	3,100	–	–	–	10-15
David Brown Non-Executive Director (from 01/09/2019)	5-10	–	400	–	–	–	5-10
Anthony Carroll Associate Non-Executive Director (to 31/10/2019)	0-5	–	1,800	–	–	–	5-10
Harmesh Darbhanga Associate Non-Executive Director (to 29/05/2019)	0-5	–	–	–	–	–	0-5
Clive Deadman Non-Executive Director	5-10	–	1,100	–	–	–	5-10
Amanda Edwards Non-Executive Director (to 31/05/2019)	0-5	–	100	–	–	–	0-5
Dr David Lee Non-Executive Director	5-10	–	–	–	–	–	5-10
Brian Newman Non-Executive Director (to 31/03/2020) Associate Non-Executive Director (from 01/04/2020 to 31/01/2021)	5-10	–	–	–	–	–	5-10
Trevor Purt Non-Executive Director (from 01/09/2019)	5-10	–	400	–	–	–	5-10
Dr Christopher Weiner Associate Non-Executive Director (to 01/05/2019)	0-5	–	–	–	–	–	0-5

Fair Pay disclosure

The banded remuneration of the highest paid director in the Trust in the 2020/21 financial year was £250,000 – £255,000, compared to 2019/20 where this figure equated to £245,000 – £250000 (see table, right).

This was 9.16 times the median remuneration of the workforce in 2020/21 (which was £27, 581) compared to 9.23(amounting to £26,801) in the prior year of 2019/20.

In 2020-21, 1 (2019-20, 3) employees received remuneration in excess of the highest paid director. Remuneration ranged from £0 - £5,000 to £270,000 - £275,000 in 2020-21. In 2019/2020, this ranged from £0 – £5,000 to £305,000 – £310,000.

Total remuneration includes salary, non-consolidated performance-related pay (not applicable to any member of staff in 2020-21 or 2019-20), and benefits in kind as well but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Description	2020/21	2019/20
Band of Highest Paid Director's Remuneration (FYE)	250,000 – 255,000	245,000 – 250,000
Median Total Remuneration	27,581	26, 801
Ratio	9.16	9.23

The median remuneration of the workforce remained static to the previous year.

Consultancy Costs

The Trust spent £550k on consultancy costs during 20/21 including £0.33m IT services, £0.054m Ockenden review, £0.035m NHS transformation unit, £0.034m performing excellence financial development programme, £0.031 Deloitte.

Pension Benefits Of Senior Managers

Name and Title	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31 March 2021 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2021 (bands of £5,000) £000	Cash Equivalent Transfer Value at 1 April 2020 £000	Real increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2021 £000	Employer's contribution to stakeholder pension £000
Louise Barnett Chief Executive	5-7.5	2.5-5	50-55	90-95	777	67	887	
Hayley Flavell Director of Nursing (secondment from University Hospital Birmingham from 01/09/2020)	5-7.5	12.5-15	35-40	85-90	460	94	656	
James Drury Interim Finance Director	2.5-5	0-2.5	30-35	50-55	494	40	564	

Notes to the remuneration report

Remuneration figures represent actual remuneration rather than full-year effect.

The expense payments for the Chairman and Non -Executive directors are home to base mileage taxed at source.

Non-executive directors do not receive pensionable remuneration so there are no entries in respect of pension-related benefits.

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less, the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. This value does not represent an amount that will be received by the individual. It is a calculation that is intended to convey an estimation of the benefit that being a member of the pension scheme could provide. The pension benefit table provides further information on the pension benefits accruing to the individual.

The method used to calculate CETVs changed, to remove the adjustment for Guaranteed Minimum Pension (GMP) on 8 August 2019.If the individual concerned was entitled to a GMP, this will affect the calculation of the real increase in CETV. The real increase in accrued pension, lump sum and CETV relate to the proportion of a time in post

Dr Catriona McMahon commenced the role of Trust Chairman from August 2020, taking over from Ben Reid who resigned in July2020.

Dr Arne Rose commenced his role with the Trust as Medical Director on the 17th of June 2019, having taken on the role from Dr Edwin Bowman on the 16th of June 2019.

The Medical Director's 'Other Remuneration' relates to earnings from his non-managerial clinical role as Emergency Department Consultant.

In between 2019/20 and 2020/21 there were three individuals occupying the role of Chief Executive and these were:

- Mr Simon Wright – from 28th September 2015 to June 2019
- Ms Paula Clark – from 01/07/2020 to 09/02/2020
- Ms Louise Barnett – from 10/02/20 to present

Remuneration disclosures for these roles are therefore on a pro-rata basis of the full year salary

In between 2019/20 and 2020/21 there were three individuals occupying the role of Director of Nursing and these were:

- Ms Barbara Beal – from 16/06/2019 to 13/04/2020
- Ms Maggie Bayley – from 14/04/2020 to 31/08/2020
- Ms Hayley Flavell – from 01/09/2020 to present

Remuneration disclosures for these roles are therefore on a pro-rata basis of the full year salary

Mr Neil Nesbit was the Director of Finance from April to 17th of June 2019, and thereafter Mr James Drury joined the Trust on the 18thof June 2019, and he occupied the position of Interim Director of Finance for the duration of the 2020/21 financial year.

Mr Tony Allen was an Associate Non-Executive Director between 3/0/09/2018and 31/01/2021

Ms Teresa Boughey commenced her role as Non-Executive Director from 01/09/2019

Mr Brian Newman's role changed from Non-Executive Director to Associate Non- Executive Director at the beginning of April 2020, and he resigned

from his role on 31st January 2021

Louise Barnett
Chief Executive

Staff Report

Culture and staff engagement

The Trust commenced a culture and leadership programme during the 2020/21 year develop and implement strategies for collective leadership, which result in cultures that deliver high quality, continuously improving, compassionate care.

These actions also support the implementation of CQC recommendations pertaining to the well led aspect of the inspection in 2018, specifically in relation to visibility of leadership and the development of a culture in which staff fell supported, respected and valued.

In addition, a significant amount of effort and focus was put towards fostering a more engaged workforce, for the purposes of enabling the achievement of the Trust's strategic objectives. In addition, the Executive Directors also took the opportunity to embed the vision and values, (whilst taking into account stakeholders views) and hold feedback sessions on Clever Together and the 2020 staff survey results.

This included the formation of a Culture Group, with broad representation of a range of roles across the organisation to incorporate robust assurance where possible.

To aid assurance oversight of progress on the work on culture, the Board agreed a new complete design of cultural and outcomes dashboard incorporating management information from Clever together, Staff Survey, Workforce Race Equality Diversity and others.

In approving the Equality, Diversity and Inclusion (EDI) Strategy in October 2020, members of the Board affirmed their commitment to inclusion and creating a sense of belonging for all staff. This was reinforced by the revised EDI Policy which was refreshed in 2020.

Equality, diversity and inclusion are at the centre of the People strategy, with a clear focus as a priority, on attraction, engagement, and development of staff as well as ensuring that the needs of the Trust's patients are understood and met. A new Black and minority ethnic staff network was launched during the 2020/21 financial year, and further work was undertaken to establish Disability and LGBTQ+ networks.

The EDI strategy also underpins the activities outlined in the new Recruitment and retention strategy, with a particular focus on recruitment and retention of international nurses.

A revised Recruitment Policy has a clear focus on individuals who have declared that they have a disability e.g. if they meet the essential criteria they will be interviewed. Equally if any reasonable adjustments are required for interview and if offered that position, the Trust will give full consideration to making these.

The Trust established new staff networks as detailed in the EDI action plans and these networks will help us to progress our inclusion priorities going forward. The 3 networks are SaTH Pride, Staff with Disabilities and Race Equality and Inclusion Network.

The Workforce Race Equality Standard (WRES) and the Workforce Disability Equality Standard (WDES) has been reported and actions agreed with the staff networks. During the financial year the themes have been:

- Recruitment and selection of under-represented groups – how we target our activity and undertake positive action
- Increasing access to non-mandate training for Black and Minority Ethnic (BAME) staff
- Addressing Bullying and Harassment concerns, through reviewing our current practices and policy.
- Nurse Recruitment during the 2020/21 period

During the pandemic significant achievements were made with regards to nurse recruitment, starting with the attainment of 200 whole time equivalent international nurses all of which passed their Objective Structured Clinical Examination (OSCE).

Many of the international nurses joined the temporary register to support the Trust and our patients during the pandemic prior to receiving the PIN number officially and completing their OSCE.

Nurses from cohorts 4, 5, 8, 9 and 10 went on the temporary register, which equated to a total of 77 nurses.

A new preceptorship research project was launched for the September 2020 cohort, which was supported by the Trust research matron and the National Institute for Health Research.

All nurses and nursing assistants in the cohort were invited to put a proposal together for a small research project / poster for their clinical area which would be judged prior to their final preceptorship study day in September 2021. There are currently 8 projects which will be judged in July 2021 by Trust staff, one of the clinical editors for the Nursing Times and a member of the National Institute for Health Research. The best project will receive a prize.

The Trust is also working closely with the Capital Nurse Preceptorship Programme in the hope our preceptorship programme will be able to use the Capital Nurse Charter Mark in the future. Significant progress has been made towards moving to a rolling 12 month preceptorship programme from January 2022, whereby new recruits to the Trust will have the opportunity to access preceptorship whenever they join the Trust.

Medical Leadership

Following a successful year recruiting into medical leadership roles last year, this continued with a total of 27 new medical leaders within the organisation since Dr Arne Rose took up position as Medical Director in June 2019. Appointments included successful recruitment into

a longstanding vacancy in Adult Safeguarding Clinical Lead role and a newly developed role as Clinical Lead for Learning from Deaths (Mortality). Medicine and Emergency Care Division (formally Unscheduled Care Group) now have a full complement of medical leaders in their Division which is the first time in a number of years.

In January 2021 there was a change in the organisational structure to become more clinically led with strong relationships between the divisional leadership teams with a focus on patient centric and empowerment of clinical and healthcare professionals to act and have more autonomy which is consistent with other acute sectors.

The previously named Senior Medical Leadership Team reverted to the Medical Leadership Team to be more inclusive as additional members were welcomed to the team – Chief Clinical Information Officer and Clinical Lead for Staff Grade and Associate Specialist (SAS) doctors. This further enhances a better understanding of the wider issues within the medical workforce and supports the SAS doctors further by providing representation on the group.

Despite the COVID-19 pandemic, engagement events have continued albeit virtual with monthly Cascade sessions for our medical teams led by the Deputy Medical Director to ensure that the medical workforce is up to date with the latest information and changes within the organisation.

Retrospective Clinical Excellence Awards rounds were completed for 2019 and 2020 following instructions nationally that these awards would not go through the normal application process due to the pandemic, but would be split equally between all eligible Consultants.

Following the previously successful bid for funding from NHSE/I for a Medical Leadership Programme the Faculty of Medical Leadership and Management (FMLM) were secured as the provider. This programme for Cohort 1 – Medical Leadership Team, 14 participants – started in November and is due to complete in June 2021. Cohort 2 – Clinical Directors, 21 participants – started in November and completed in March 2021. Due to the pandemic there were 4 Clinical Directors that were unable to undertake this course at this time due to service pressures. These Clinical Directors will join Cohort 3 –Corporate Leads and Speciality Leads. Cohort 3, consisting of Corporate Leads and Speciality Leads, (52 participants) will commence in July 2021. It was important that this development work continued despite the pandemic to support and improve the capabilities of our medical leaders. These have been held virtually and have been well received providing essential peer support over a very challenging time this year.

In addition, the medical leadership structure budget has now been moved across to the Medical Director to ensure more direct influence on the recruitment and development of these positions.

The Medical Taskforce Group has been established but unfortunately due to the pandemic these meetings have been stood down. Work in the background has progressed and this will be relaunched in the 201/22 year with a more structured approach to the review of medical workforce within the Divisions, reviewing and monitoring vacancies, agency and locum spend and waiting list initiatives, along with the contractual requirements of medical appraisal, revalidation and job planning.

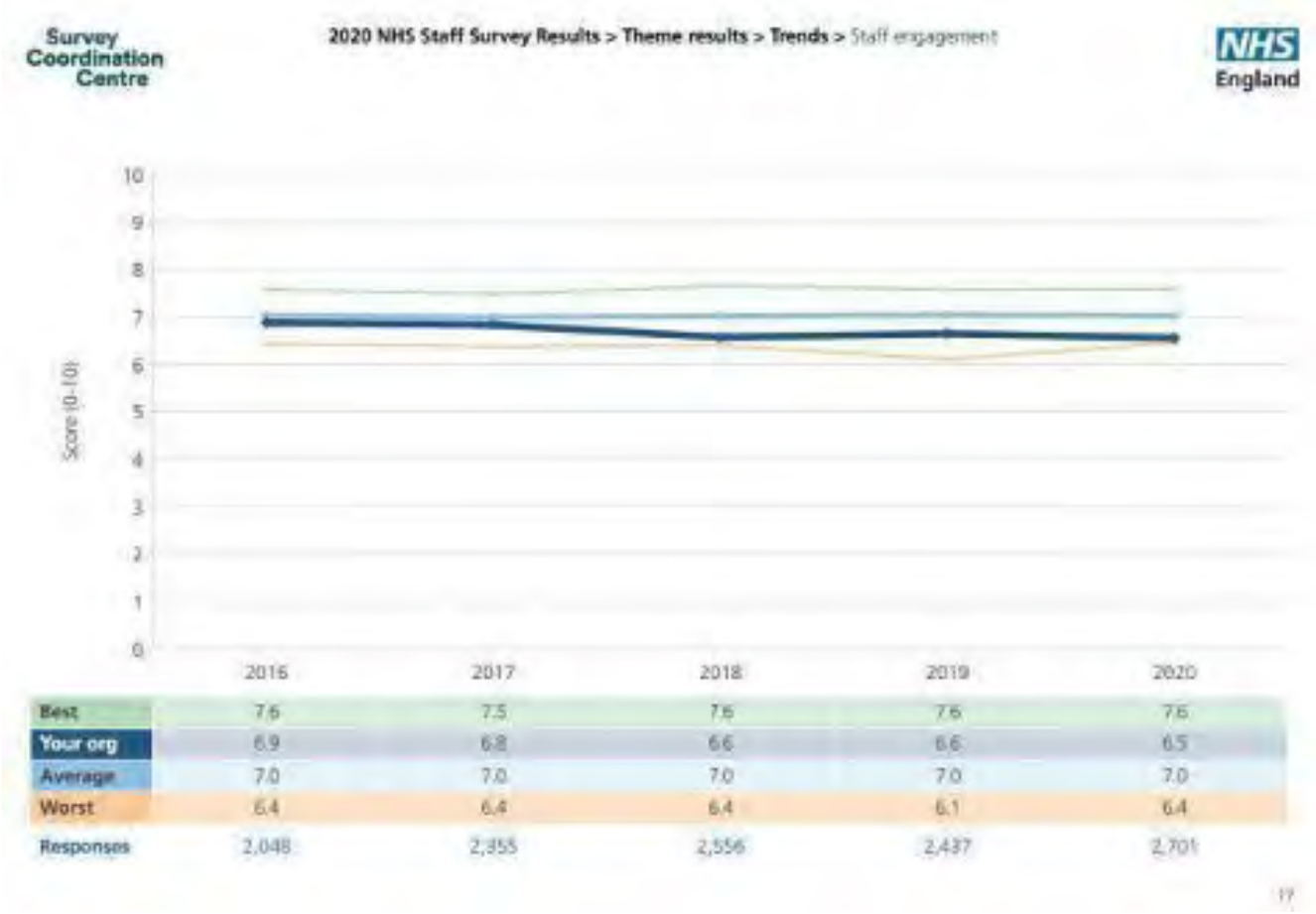
Staff survey

In September 2020 the National NHS Survey was undertaken; it is designed to collect the views of staff about their work and the Trust. The overall aim of the survey is to gather information to help improve the working lives of NHS Staff and so provide better care for patients.

The survey ran from October to November 2020 and all staff employed by the organisation from 1st of September that same year were eligible to take part.

6,632 members of staff were eligible to input the survey, and 43% of staff completed the survey, equating to the highest number of completed surveys in the last five years and an increase of 2% on the previous year.

The staff engagement score has seen a decline in the last five years, from 6.9 in 2016 to 6.5 in 2020, compared against a National average of 7.0 and a best of 7.6



	2016	2017	2018	2019	2020
Best	7.6	7.5	7.6	7.6	7.6
Your org	6.9	6.8	6.6	6.6	6.5
Average	7.0	7.0	7.0	7.0	7.0
Worst	6.4	6.4	6.4	6.1	6.4
Responses	2,048	2,355	2,556	2,437	2,701

For the first time, the survey incorporated bank staff, as part of the Trust's commitment to making the Trust an inclusive and great place to work, with 269 colleagues taking part. Positively, the majority of measures were higher and in line with comparator Trust averages with some being considerably higher. For example in Engagement, Bank colleagues motivational responses were 10% higher than comparator trusts and their advocacy exceeded substantive responses

The staff survey is an important way for us to evaluate how we are doing as a Trust and to show that we are listening by taking action on the issues that our staff say are important to them . The Trust has shared the 2020 results with all key stakeholders including the Board, managers and staff, and further work is being progressed in the 2020/21 period to address the findings and enhance staff engagement and development.

Analysis Of Average Staff Numbers

Average number of employees (WTE basis)			2020/21	2019/20
	Permanent Number	Other Number	Total Number	Total Number
Medical and dental	636	109	745	673
Ambulance staff	3	-	3	3
Administration and estates	1,159	90	1,249	1,165
Healthcare assistants and other support staff	1,177	183	1,360	1,295
Nursing, midwifery and health visiting staff	1,766	282	2,048	1,846
Nursing, midwifery and health visiting learners	28	-	28	5
Scientific, therapeutic and technical staff	651	41	692	659
Healthcare science staff	316	-	316	305
Social care staff	-	-	-	-
Other	-	-	-	-
Total average numbers Of which:	**5,736**	**705**	**6,441**	**5,951**
Number of employees (WTE) engaged on capital projects	18	3	21	30

Staff gender distribution

A breakdown of the number of persons who were directors of the Trust, senior managers and other employees is shown below:

Gender Breakdown	Male	Female
Board Level Directors	4	6
Non-Executive Directors/Chair	5	2
Senior Managers	8	31
All other employees	1323	5469
Total	**1340**	**5508**

Gender	Headcount	Percentage
Female	5508	80.43%
Male	1340	19.57%
Grand Total	**6848**	**100%**

Sexual Orientation	Headcount	Percentage
Bisexual	35	0.51%
Gay or Lesbian	69	1.01%
Heterosexual or Straight	5391	78.72%
Not stated (person asked but declined to provide a response)	1318	19.25%
Other sexual orientation not listed	12	0.18%
Undecided	1	0.01%
Not Known	22	0.32%
Grand Total	**6848**	**100%**

Disabled	Headcount	Percentage
No	5756	84.05%
Not Declared	836	12.21%
Prefer Not To Answer	19	0.28%
Not Known	40	0.58%
Yes	197	2.88%
Grand Total	**6848**	**100%**

31-March 2021		
Senior Managers by AfC Band	**Headcount**	**Percentage**
Band 8a	1	2.56%
Band 8b	9	23.08%
Band 8c	13	33.33%
Band 8d	11	28.21%
Band 9	5	12.82%
Personal Salary	0	0.00%
Total	**39**	**100%**

Bank Employees	Headcount
No. of Bank Employees (No Substantive Post)	1513

01 Apr 2020 - 31-Mar-2021	
Turnover	**%**
Turnover % FTE	10.97%

Staff costs	Permanent £000	Other £000	2020/21 Total £000	2019/20 Total £000
Salaries and wages	220,201	1,328	**221,529**	195,148
Social security costs	22,656	–	**22,656**	19,439
Apprenticeship levy	1,152	–	**1,152**	1,050
Employer's contributions to NHS pension scheme	39,737	–	**39,737**	35,939
Pension cost - other	–	–	–	–
Other post employment benefits	–	–	–	–
Other employment benefits	–	–	–	–
Termination benefits	–	–	–	–
Temporary staff (bank)	–	27,437	**27,437**	20,782
Temporary staff (agency)	–	29,902	**29,902**	26,725
Total gross staff costs	**283,746**	**58,667**	**342,413**	**299,083**
Recoveries in respect of seconded staff	–	–	–	–
Total staff costs Of which	**283,746**	**58,667**	**342,413**	**299,083**
Costs capitalised as part of assets	–	1,148	**1,148**	1,522

Reporting of compensation schemes – exit packages	2020/21			2019/20		
	Number of compulsory redundancies	Number of other deprtures agreed	Total number of exit packages	Number of compulsory redundancies	Number of other deprtures agreed	Total number of exit packages
	No.	No.	No.	No.	No.	No.
Exit package cost band (including any special payment element)						
<£10,000	–	6	**6**	–	25	**25**
£10,000 - £25,000	–	2	**2**	–	2	**2**
£25,001 - 50,000	1	–	**1**	–	2	**2**
£50,001 - £100,000	1	–	**1**	–	–	**–**
£100,001 - £150,000	–	–	**–**	–	1	**1**
£150,001 - £200,000	–	–	**–**	–	–	**–**
>£200,000	–	–	**–**	–	–	**–**
Total number of exit packages by type	**2**	**8**	**10**	**–**	**30**	**30**
Total cost (£)	£101,000	£44,000	**£145,000**	£0	£322,000	**£322,000**

Exit packages: other (non-compulsory) departure payments	2020/21		2019/20	
	Payments agreed	Total value of agreements	Payments agreed	Total value of agreements
	Number	£000	Number	£000
Voluntary redundancies including early retirement contractual costs	–	–	1	140
Mutually agreed resignations (MARS) contractual costs	–	–	–	–
Early retirements in the efficiency of the service contractual costs	–	–	–	–
Contractual payments in lieu of notice	8	44	29	182
Exit payments following Employment Tribunals or court orders	–	–	–	–
Non-contractual payments requiring HMT approval	–	–	–	–
Total	**8**	**44**	**30**	**322**
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	–	–	–	–

Ongoing support for staff

The 2020/21 period presented many operational challenges within the NHS, with a substantial focus on supporting our staff's health and wellbeing. A wide range of support mechanisms were put in place, aligned to existing infrastructures, such as the Freedom to Speak Up (FTSU) Guardian.

FTSU is part of the COVID-19-19 support network, with a structured approach linking in with the Well-Being Team, Infection Prevention and Control, Black, and Minority Ethnic/Inclusion and Diversity networks.

Over the course of the year a substantial amount of effort was made to support Line managers safeguard vulnerable staff, such as those that required shielding or were pregnant.

Staff concerns and queries relating to Personal Protective Equipment or infection control were responded to in a timely manner offering clarification on correct use, fully supported by the Infection Prevention and Control team. The FTSU Guardian and advocates worked collaboratively with the IPC team on hand to answer any queries that came through FTSU in a timely manner, thus enabling staff to raise concerns via any means they felt comfortable, giving the confidence that concerns are being taken seriously.

Clarification provided on the guidelines on working from home. To ensure support from Line Manager to enable working from home where possible. Increased communications from Workforce Director on the guidelines from working from home.

The FTSU Guardian and advocates also offered emotional and well-being support in addition to those that wish to raise concerns about working in clinical settings during the pandemic, ensuring contact was made with the Human Resources department where required, feeding back any well-being information.

Freedom to Speak Up

In 2020/21 Freedom to Speak Up arrangements at the Trust continued to mature with the appointment of a FTSU Lead who joined the organisation in late 2020 supported by two Guardians on fixed term contracts.

To further augment the arrangement, the Trust has a network of FTSU ambassadors who promote FTSU and sign post to the Guardians. In 2020/21 a refresh of the network was undertaken to better represent the diversity of the organisation with 39 ambassadors in total, of clinical and non-clinical background across range of different job roles. These are voluntary roles undertaken by members of staffing addition to their substantive posts.

In 2020/21 the total number of concerns raised to the Trust's FTSU Guardians was 302 compared to the year total of 145 in 2019/20. The increase in concerns was partly due to the pandemic which was mirrored nationally but also the increased visibility of the team who visit clinical and non-clinical teams. It is worth noting that there was an increase in reported concerns nationally of 33.7% up to Q3, and an increase of 208% from Q1 – Q4. A year on year comparator can be seen below:

Financial Year	Q1	Q2	Q3	Q4	Total	Increase	National Average Increase
2020/21	41	82	103	78	**302**	↑208%	33.7% Q1,Q2 and Q3
2019/20	22	17	57	49	**145**	↑119%	32%
2018/19	10	18	18	20	**66**	↑106%	73%
2017/18	4	7	12	9	**32**	N/A	N/A

Of the concerns raised in 2020/2021, 25% were related to behaviours/relationships; 22% to patient safety; 13% staff safety; 13% to bullying and harassment and 11% to systems and processes. Of those speaking up 34% were Nurses, 23% Administrative/ Clerical Workers, 11% Allied Health Professionals (other than pharmacists), 9% Healthcare Assistants, 8% Doctors, 7% Midwives, 6% Cleaning/Catering/Maintenance/ Ancillary staff.

In 2020/21 arrangements were further enhanced by closer working with colleagues such as the senior nursing team; Staff Side; Equality and Inclusion Team; HR Business Partners; Education Team; Junior Doctor Forums; monthly one-to-one meetings with the Chief Executive and Workforce Director. As the Trust undertakes a robust cultural change programme FTSU plays an integral part in this and sits on the Cultural Steering Group. Reporting arrangements were improved by bringing Board papers in line with NHSE/I guidance and increasing reporting to the Trust Board of Directors quarterly.

Planned improvements in 2021/22 will see a refreshed vision and strategy; communications strategy; a policy review; improved FTSU processes; triangulation of data with patient safety and HR identifying hotspots and themes more readily; mandatory training for all staff on 'speaking up' and improved dissemination of learning from those speaking up.

Health and Wellbeing

During the year the wellbeing team regularly walked round the hospital sites to speak to staff, offer support and promote health and wellbeing.

The wellbeing team wear distinct purple wellbeing t-shirts and give out wellbeing support packs which include all the health and wellbeing offer available to staff including psycho- logical, physical, emotional, financial and healthy lifestyles support.

Each Wednesday they focus on a different wellbeing topic to help raise awareness and share useful tips, resources and online sessions. Some topics covered so far areexercise, nutrition and hydration, psychological PPE and Long COVID-19 support.

A Long COVID-19 booklet has been created for staff and managers which includes information on what Long COVID-19 is and the symptoms, breathing and relaxation tips, and further support and signposting. The team also continue to facilitate the support group for colleagues who have Long COVID. These groups meet monthly to provide peer- to-peer support, listening and advice to colleagues living with or supporting someone with Long-COVID and was set up last October in response to staff feedback.

The wellbeing team developed a toolkit to support staff who were either coming back into the workplace from shielding, home working or re-deployment. This document includes information on the change curve and different emotions and feeling during COVID-19, as well as useful exercises for staff to complete on their own or with their manager.

Staff monitoring:

The age, ethnic breakdown, staff gender distribution and number of staff with Recorded disabilities is shown immediately below, with additional information relating to marital status, religious belief, and ethnicity, shown thereafter:

Age Band	Headcount	Percentage
≤20 Years	47	0.69%
21-25	515	7.52%
26-30	817	11.93%
31-35	911	13.31%
36-40	697	10.18%
41-45	726	10.59%
46-50	854	12.47%
51-55	946	13.82%
56-60	820	11.98%
61-65	414	6.05%
66-70	77	1.12%
≥71 Years	24	0.35%
Grand Total	6848	100%

Marital Status	Headcount	Percentage
Civil Partnership	40	0.58%
Divorced	452	6.60%
Legally Separated	64	0.93%
Married	3675	53.66%
Single	2330	34.03%
Unknown	234	3.42%
Widowed	46	0.67%
Not Known	7	0.10%
Grand Total	6848	100%

Religious Belief	Headcount	Percentage
Atheism	929	14%
Buddhism	26	0%
Christianity	3564	52%
Hinduism	186	3%
I do not wish to disclose my religion/belief	1515	22%
Islam	180	3%
Jainism	1	0%
Judaism	3	0%
Other	379	6%
Sikhism	44	1%
Not Known	21	0%
Grand Total	6848	100%

Current Workforce

The individual ethnic classifications that have been grouped as "Non-BME" and "BME" categories have changed slightly from previous annual reports (see table, right). This is to ensure consistency with the groupings defined by the Equality & Human Rights Commission.

Sickness absence 2020/21

The Trust's sickness rate (excluding sickness absence attributable to COVID 19) for the calendar year 2020/21 of 3.99% per cent is a continual focus of line management with HR support.

Ethnicity	Headcount	Percentage
Asian or Asian British	611	9%
Black or Black British	164	2%
Mixed	76	1%
Not Stated	70	1%
Other Ethnic Groups	218	3%
White	5691	83%
Not Known	18	0%
Grand Total	**6848**	**100%**

01 Apr 2020 – 31 March 2021	
Sickness Absence Information Excluding COVID Absences	
Sickness Absence %	3.99%
% Over Target Sickness of 3.99%	0.00%
Total FTE Calendar Days Lost	83,569
Average FTE Calendar Days Lost Per Employee	12
No. Ill Health Retirements	7
No. Voluntary Resignation – Health	56

The table below shows the breakdown of COVID-19 related sickness absence during the 2020/21 period:

01 Apr 2020 - 31-Mar-2021	
COVID-19 Related Absences Including Sickness, Self/Home Isolation, Shielding etc.	
COVID-19 Related Absence %	3.39%
Total FTE Calendar Days Lost	71,069
Average FTE Calendar Days Lost Per Employee	10

Responding to change in demands at the height of the COVID 19 pandemic, the Employee Relations team changed their focus away from formal absence management to supporting managers and staff by conducting health and well-being calls to staff unwell at home for a variety of reasons to offer support, guidance and/or a listening ear. As a result all divisions have seen a decrease in formal absence management, the launch of the new policy will support us in refocusing on this essential aspect of staff management.

The new Employee Wellbeing and Attendance Management Policy was ratified by Trust Board in March 2021; as part of the Workforce Directorate roll out plan the Employee relations team is devising a training package and suite of supporting documents to support the embedding of this new policy.

Gender pay gap reporting and actions

Gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees:

- Average gender pay gap as a mean average
- Average gender pay gap as a median average
- Average bonus gender pay gap as a mean average
- Average bonus gender pay gap as a median average
- Proportion of males receiving a bonus payment and proportion of females receiving a bonus payment
- Proportion of males and females when divided into four groups ordered from lowest to highest pay

The Trust's gender pay gap information for 2019/20 is published on the Trust website via the link below:

https://www.sath.nhs.uk/wp-content/uploads/2020/03/Gender-Pay-Gap-Report-2019.pdf

Median women's pay is 12.64% lower than men's pay. The two key drivers of the pay gap are: the uneven distribution of men in our overall workforce, and the higher number of male consultants compared with female consultants in the upper quartile of our pay distribution – removing Consultants from the data set alters the median pay gap in favour of female staff at 7.79%.

This pay gap is reflective of the pattern from the wider UK healthcare economy; traditionally the NHS has had a higher female workforce in caring roles in the workforce, which tend to be in the lower bandings, and a predominantly male workforce in the higher banded Medical & Dental professions.

The Trust is committed to ensuring an equitable workforce and we will be taking a number of measures to address the pay gap including:

- Developing and implementing a talent management programme to support employees to progress;
- Increasing the promotion of flexible and family friendly working options; and
- Actively encouraging and supporting female Consultants to participate in the local Clinical Excellence Awards (CEA) scheme

The NHS provides great careers with opportunity at all levels and favourable terms and conditions, including generous annual leave entitlement and pension provision; fair, inclusive and family-friendly policies supportive of work-life balance, flexibility and job security; underpinned by nationally negotiated pay rates which, at lower levels, are higher than the national living wage rate typically paid for equivalent private sector jobs.

Staff policies

The Trust has a Recruitment and Selection policy in place, which supports our employees whilst also encouraging delivery of the highest standards of care and service to patients and services users.

The Trust aims to be the 'employer of choice' locally, and draws on a wide and diverse range of people with a variety of skills and talents to deliver and manage its services, concentrating positively on the real requirements of jobs and the individual abilities of people who seek employment with the Trust. We use NHS Jobs to advertise all posts and applicants are asked about disabilities as part of the process. Close links take place with our occupational health team to ensure we do all we can to support staff with disabilities at work.

The Trust continues to demonstrate its commitment to disability, taking positive action by displaying the Positive about Disabled People symbol, which includes:

- Interviewing applicants with disabilities who meet the minimum job criteria
- Consulting annually with individual staff with disabilities through the appraisal process about how the Trust can develop and support them
- Making every effort to redeploy staff who become disabled and cannot continue in their current role
- Raising awareness of disability amongst staff
- Monitoring and communicate achievements in relation to commitments

During the year April 2020 to March 2021, the Trust received a total of 1105 applications for jobs from candidates with disabilities. Of these 312 candidates were shortlisted and 80 interviewees were appointed.

Improvements that support our wider employment agenda have been introduced via these policies, for example:

- Extension of the right to apply for flexible working from the first day employment
- A faster and simpler process to staff who wish to return to work after commencing their NHS pension benefits.
- Promotion of informal and fast track procedures for addressing staff conduct issues.

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

The Trust is required to disclose:

- All off-payroll engagements as of 31 March 2021, greater than £245 per day and that last longer than six months (see table 1 below).
- All new off-payroll engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021, greater than £245 per day and that last for longer than six months (see table 2 below).
- Any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021 (see table 3 below).

Off-payroll engagements

The Trust only resorts to use of off-payroll arrangements where there are specific and immediate shortages or specific skill requirements that it cannot fulfil from the substantive workforce.

By their nature these arrangements are of a short, definitive period with clearly defined objectives and outcomes. In all circumstances the Trust complies with HMRC and NHS Improvement rules and procedures.

The following table details all off-payroll engagements as of 31 March 2021 for more than £245 per day and that last for longer than six months.

Table 1: Off-payroll engagements longer than 6 months

For all off-payroll engagements as of 31 March 2021, for more than £245 per day and that last longer than six months:	Number
Number of existing engagements as of 31 March 2021	5
Of which, the number that have existed:	–
for less than one year at the time of reporting	3
for between one and two years at the time of reporting	2
for between 2 and 3 years at the time of reporting	–
for between 3 and 4 years at the time of reporting	–
for 4 or more years at the time of reporting	–

Table 2: New Off-payroll engagements

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021, for more than £245 per day and that last for longer than six months	Number
Number of new engagements, or those that reached six months in duration, between1 April 2020 and 31 March 2021	4
Of which:	–
Number assessed as caught by IR35	–
Number assessed as not caught by IR35	4
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	–
Number of engagements reassessed for consistency/assurance purposes during the year	–
Number of engagements that saw a change to IR35 status following the consistency review	–

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

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021	Number
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year	
Total number of individual on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure includes both on payroll and off-payroll engagements.	17

Trade union facility time disclosures

Entities within the scope of the Trade Union (Facility Time Publication Requirements) Regulations 2017, which took effect from 1 April 2017, are required to publish details in their Annual Report. The Trust's disclosures are shown below:

Table 1: Relevant Union Officials	
Number of employees who were union reps	14
FTE union reps	10.89

Table 2: Percentage (%) of time spend on facility time	
Percentage of time	
0%	9
0 – 50%	3
51 – 99%	0
100%	2

Table 3: Percentage (%) of pay bill spent on facility time	
Percentage of pay bill spend on facility time	
Total cost of facility time	£85,000
Total pay bill	£341,401,000
Percentage facility time	0.02%

Table 4: Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	
Total hours spent on paid trade union activities by relevant union officials during the relevant period divided by total paid facility time hours, multiplied by 100.	0.03%

Annual Accounts for the year ending 31 March 2021

Statement of directors' responsibilities in respect of the accounts

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

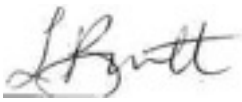
- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and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

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



Louise Barnett
Chief Executive
10 June 2021

Helen Troalen
Finance Director
10 June 2021

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

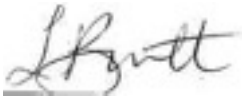
The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the trust. The relevant responsibilities of Accountable Officers are set out in the NHS Trust Accountable Officer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

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

As far as I am aware, there is no relevant audit information of which the trust'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.

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.

Signed:



Louise Barnett
Chief Executive
10 June 2021

Independent Auditor's Report To The Board of Directors of The Shrewsbury and Telford Hospital NHS Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Shrewsbury and Telford Hospital NHS Trust ("the Trust") for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and f air view of the state of the Trust's affairs as at 31 March 2021 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as being relevant to NHS Trusts in England and included in the Department of Health and Social Care Group Accounting Manual 2020/21.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Trust's business model and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Trust will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, the Audit and Risk Assurance Committee and internal audit and inspection of policy documentation as to the Trust's high-level policies and procedures to prevent and detect fraud, including the internal audit f unction, and the Trust's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Assessing the incentives f or management to manipulate reported financial performance as a result of the need to achieve specific targets delegated to the Trust by NHS Improvement.
- Reading Board and Audit and Risk Assurance Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Reviewing the Trust's accounting policies.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet delegated targets, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk of incentive for revenue to be manipulated into the wrong period around the year end and the risk that Trust management may be in a position to make inappropriate accounting entries.

In line with the guidance set out in Practice Note 10 Audit of Financial Statements of Public Sector Bodies in the United Kingdom we also recognised a fraud risk related to expenditure recognition, particularly in relation to year-end accruals.

We did not identify any additional fraud risks. We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included combinations of seldom used accounts, postings to fraud risk related accounts and postings between unrelated accounts.
- Assessing significant estimates for bias.
- Inspecting transactions in the period prior to and following 31 March 2021 to verify revenue had been recognised in the correct accounting period.
- Inspecting transactions in the period prior to and following 31 March 2021 to verify expenditure had been recognised in the correct accounting period.
- Evaluating accruals posted as at 31 March 2021 and verifying accruals are appropriate and accurately recorded.
- Assessing the completeness of disclosed related party transactions and verifying they had been accurately recorded within the financial statements.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Trust's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Trust is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Trust is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. Under paragraph 2(1) of Schedule 5 to the National Health Service Act 2006 the Trust must ensure that its revenue is not less than sufficient, taking one financial year with another, to meet outgoings properly chargeable to revenue account (the breakeven duty). In reporting on compliance with the breakeven duty the Trust is required to comply with the Department of Health and Social Care's 'Guidance on Breakeven Duty and Provisions', We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We are also required to make a referral to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 if 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.

As outlined in the section of this report dealing with statutory reporting matters, we made a Section 30 ref erral to the Secretary of State on 28 May 2021.

Whilst the Trust is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information in the Annual Report

The Accountable Officer is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the other information included in the Annual Report for the financial year is consistent with the f financial statements.

Annual Governance Statement

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2020/21. We have nothing to report in this respect.

Remuneration and Staff Report

In our opinion the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2020/21.

Directors' and Accountable Officer's responsibilities

As explained more fully in the statement set out on page 102, the directors are responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of f financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. As explained more fully in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, on Page 103 the Accountable Officer is responsible f or ensuring that annual statutory accounts are prepared in a format directed by the Secretary of State.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report.

Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our esponsibilities is provided on the FRC's website at:

www.frc.org.uk/auditorsresponsibilities.

Report on Other Legal and Regulatory Matters

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

Under the Code of Audit Practice, we are required to report if we identify any significant weaknesses in the arrangements that have been made by the Trust to secure economy, efficiency and effectiveness in its use of resources.

Significant Weakness – Economy, Efficiency and Effectiveness

We have identified one significant weakness in relation to the Ockenden Report – Independent Maternity Review received by the Trust in December 2020. In response to the report, the Trust identified 52 actions which were collated into an Action Plan. In the period to 31 March 2021, the Trust has been unable to evidence tangible progress in relation to the Action Plan.

Recommendation:

The following recommendation is raised in respect of the significant weakness above:

- The Trust should continue its ongoing work with regards to implementing all the recommendations arising from the Ockenden Report and the Trust's Action Plan drawn up in response. This should involve regular, formal and timely management review to ensure progress is being made and improvements are being delivered, with improved outcomes; demonstrating tangible evidenced progress, with a clear aim for all actions to be clearly 'evidenced and assured' in 2021/22. Any actions which are not progressing in line with planned timelines should ensure mitigations are in place.

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

As explained in the statement set out on page 103, the Chief Executive, as the Accountable Officer, is responsible f or ensuring that value for money is achieved from the resources available to the Trust. We are required under section 21(3)(c), as amended by schedule 13 paragraph 10(a), of the Local Audit and Accountability Act 2014 to

be satisfied that the Trust has made proper arrangements f or securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice and related statutory guidance having regard to whether the Trust had proper arrangements in place to ensure f financial sustainability, proper governance and to use information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

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

On 28 May 2021, we ref erred a matter to the Secretary of State under section 30 (1) of the 2014 Act in relation to the breach of the Trust's breakeven duty due to the deficit of £3.752 million in 2020/21, and the cumulative breakeven duty position of a deficit of £119.968 million at 31 March 2021.

The Purpose of Our Audit Work and to Whom We Owe Our Responsibilities

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

Certificate of Completion of the Audit

We certify that we have completed the audit of the accounts of The Shrewsbury and Telford Hospital NHS Trust for the year ended 31 March 2021 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Andrew Cardoza
for and on behalf of KPMG LLP Chartered Accountants

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

15 June 2021

Statement of Comprehensive Income

	Note	2020/21 £000	2019/20 £000
Operating income from patient care activities	3	434,109	384,954
Other operating income	4	77,334	36,899
Operating expenses	6, 8	(503,081)	(447,676)
Operating surplus/(deficit) from continuing operations		**8,362**	**(25,823)**
Finance income	11	-	101
Finance expenses	12	2	(967)
PDC dividends payable		(4,644)	(2,188)
Net finance costs		**(4,642)**	**(3,054)**
Other gains / (losses)	13	(233)	(369)
Share of profit / (losses) of associates / joint arrangements		-	-
Gains / (losses) arising from transfers by absorption	42	-	-
Corporation tax expense		-	-
Surplus / (deficit) for the year from continuing operations		**3,487**	**(29,246)**
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations		-	-
Surplus / (deficit) for the year		**3,487**	**(29,246)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	5,421	739
Revaluations	18	38,087	553
Total comprehensive income / (expense) for the period		**46,995**	**(27,954)**
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		3,487	(29,246)
Remove net impairments not scoring to the Departmental Expenditure Limit		(6,071)	3,552
Remove (gains) / losses on transfers by absorption		-	-
Remove I&E impact of capital grants and donations		(633)	(21)
Prior period adjustments		-	-
Remove non-cash element of on-SoFP pension costs		-	-
Remove 2018/19 post audit PSF reallocation (2019/20 only)		-	(416)
Remove net impact of inventories received from DHSC group bodies for COVID response		(535)	-
Adjusted financial performance deficit		**(3,752)**	**(26,131)**

Statement of Financial Position

	Note	31 March 2021 £000	31 March 2020 £000
Non-current assets			
Intangible assets	15	12,539	6,410
Property, plant and equipment	16	237,176	161,305
Investment property	19	-	-
Investments in associates and joint ventures		-	-
Other investments / financial assets		-	-
Receivables	24	2,031	1,446
Other assets		-	-
Total non-current assets		**251,746**	**169,161**
Current assets			
Inventories	23	9,310	8,423
Receivables	24	22,543	18,128
Other investments / financial assets		-	-
Other assets		-	-
Non-current assets for sale and assets in disposal groups		-	-
Cash and cash equivalents	27	15,405	1,700
Total current assets		**47,258**	**28,251**
Current liabilities			
Trade and other payables	28	(61,059)	(31,982)
Borrowings	30	-	(82,721)
Other financial liabilities	31	-	-
Provisions	33	(348)	(1,266)
Other liabilities	29	(1,512)	(1,312)
Liabilities in disposal groups		-	-
Total current liabilities		**(62,919)**	**(117,281)**
Total assets less current liabilities		**236,085**	**80,131**
Non-current liabilities			
Trade and other payables	28	-	-
Borrowings	30	-	-
Other financial liabilities	31	-	-
Provisions	33	(1,292)	(141)
Other liabilities	29	-	-
Total non-current liabilities		**(1,292)**	**(141)**
Total assets employed		**234,793**	**79,990**
Financed by			
Public dividend capital		322,816	215,008
Revaluation reserve		70,814	27,306
Financial assets reserve		-	-
Other reserves		-	-
Merger reserve		-	-
Income and expenditure reserve		(158,837)	(162,324)
Total taxpayers' equity		**234,793**	**79,990**

The notes on pages 82 to 123 form part of these accounts.

Signed:

Louise Barnett
Chief Executive
10 June 2021

Statement of Changes in Equity for the year ended 31 March 2021

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**215,008**	**27,306**	**(162,324)**	**79,990**
At start of period for new FTs	**-**	**-**	**-**	**-**
Surplus for the year	-	-	3,487	**3,487**
Gain/(loss) arising from transfers by modified absorption	-	-	-	**-**
Transfers by absorption: transfers between reserves	-	-	-	**-**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	**-**
Other transfers between reserves	-	-	-	**-**
Impairments	-	5,421	-	**5,421**
Revaluations	-	38,087	-	**38,087**
Public dividend capital received	107,808	-	-	**107,808**
Public dividend capital repaid	-	-	-	**-**
Public dividend capital written off	-	-	-	**-**
Other movements in public dividend capital in year	-	-	-	**-**
Other reserve movements	-	-	-	**-**
Taxpayers' and others' equity at 31 March 2021	**322,816**	**70,814**	**(158,837)**	**234,793**

Statement of Changes in Equity for the year ended 31 March 2020

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**205,446**	**26,014**	**(133,078)**	**98,382**
Prior period adjustment	-	-	-	**-**
Taxpayers' and others' equity at 1 April 2019 - restated	**205,446**	**26,014**	**(133,078)**	**98,382**
At start of period for new FTs	**-**	**-**	**-**	**-**
Deficit for the year	-	-	(29,246)	**(29,246)**
Gain/(loss) arising from transfers by modified absorption	-	-	-	**-**
Transfers by absorption: transfers between reserves	-	-	-	**-**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	**-**
Other transfers between reserves	-	-	-	**-**
Impairments	-	739	-	**739**
Revaluations	-	553	-	**553**
Public dividend capital received	9,562	-	-	**9,562**
Public dividend capital repaid	-	-	-	**-**
Public dividend capital written off	-	-	-	**-**
Other movements in public dividend capital in year	-	-	-	**-**
Other reserve movements	-	-	-	**-**
Taxpayers' and others' equity at 31 March 2020	**215,008**	**27,306**	**(162,324)**	**79,990**

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 (DHSC). A charge, reflecting the cost of capital utilised by the trust, is payable to the DHSC as the public dividend capital dividend.

Revaluation reserve

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

Income and expenditure reserve

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

Statement of Cash Flows

	Note	2020/21 £000	2019/20 £000
Cash flows from operating activities			
Operating surplus / (deficit)		8,362	(25,823)
Non-cash income and expense:			
Depreciation and amortisation	6.1	11,956	10,778
Net impairments	7	(6,071)	3,552
Income recognised in respect of capital donations	4	(1,642)	(1,052)
(Increase) / decrease in receivables and other assets		(5,039)	(768)
(Increase) / decrease in inventories		(887)	969
Increase / (decrease) in payables and other liabilities		21,599	4,565
Increase / (decrease) in provisions		235	718
Tax (paid) / received		-	-
Operating cash flows from discontinued operations		-	-
Other movements in operating cash flows		-	-
Net cash flows from / (used in) operating activities		**28,513**	**(7,061)**
Cash flows from investing activities			
Interest received		2	100
Purchase and sale of financial assets / investments		-	-
Purchase of intangible assets		(4,954)	(4,580)
Sales of intangible assets		-	-
Purchase of PPE and investment property		(31,908)	(16,203)
Sales of PPE and investment property		-	-
Receipt of cash donations to purchase assets		672	1,052
Net cash flows used in investing activities		**(36,188)**	**(19,631)**
Cash flows from financing activities			
Public dividend capital received		107,808	9,562
Public dividend capital repaid		-	-
Movement on loans from DHSC		(82,554)	20,195
Movement on other loans		-	-
Other capital receipts		-	-
Capital element of finance lease rental payments		-	-
Interest on loans		(167)	(941)
Other interest		-	-
Interest paid on finance lease liabilities		-	-
PDC dividend (paid) / refunded		(3,707)	(2,124)
Financing cash flows of discontinued operations		-	-
Cash flows from (used in) other financing activities		-	-
Net cash flows from financing activities		**21,380**	**26,692**
Increase in cash and cash equivalents		**13,705**	**-**
Cash and cash equivalents at 1 April - brought forward		**1,700**	**1,700**
Cash and cash equivalents transferred under absorption accounting	42	-	-
Unrealised gains / (losses) on foreign exchange		-	-
Cash and cash equivalents at 31 March	27	**15,405**	**1,700**

Signed:

Louise Barnett
Chief Executive
10 June 2021

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 2020/21 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.

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. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.

The Trust has prepared its financial plans and cash flow forecasts for the coming year on the assumption that funding will be received from the Department of Health and Social Care consistent with the revised funding arrangements in response to the COVID-19 pandemic until 30 September 2021 prior to reverting to previously published CCG allocations from 1 October 2021. These funds are expected to be sufficient to enable the Trust to meet its obligations as they fall due and will be accessed through the return to a contractual based payment system from 1 October 2021 to be communicated by NHS Improvement and the Department of Health and Social Care.

The Board of Directors has therefore concluded that these financial statements should be prepared on a going concern basis as there is a reasonable expectation that the Trust will have adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements.

Note 1.3 Consolidation NHS Charitable Fund

The trust is the Corporate Trustee to the Shrewsbury and Telford Hospital NHS Trust Charity. The trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the trust's accounting policies and
- eliminate intra-group transactions, balances, gains and losses.

Other subsidiaries

Subsidiary entities are those over which the trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year except where a subsidiary's financial year end is before 1 January or after 1 July in which case the actual amounts for each month of the trust's financial year are obtained from the subsidiary and consolidated.

Where subsidiaries' accounting policies are not aligned with those of the trust (including where they report under UK FRS 102) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

Subsidiaries which are classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Associates

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

Joint ventures

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

Joint operations

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

Note 1.4 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).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the trust accrues income relating to performance obligations satisfied in that year. Where the trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS contracts

The accounting policies for revenue recognition and the application of IFRS 15 are consistently applied. The contracting arrangements in the NHS changed between 2019/20 and 2020/21 affecting the application of the accounting policy under IFRS 15. This difference in application is explained below.

2020/21

The main source of income for the trust is contracts with commissioners for health care services. In 2020/21, the majority of the trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at a Sustainability and Transformation Partnership level. The related performance obligation is the delivery of healthcare and related services during the period, with the trust's entitlement to consideration not varying based on the levels of activity performed.

The trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

Comparative period (2019/20)

In the comparative period (2019/20), the trust's contracts with NHS commissioners included those where the trust's entitlement to income varied according to services delivered. A performance obligation relating to delivery of a spell of health care was generally satisfied over time as healthcare was received and consumed simultaneously by the customer as the trust performed it. The customer in such a contract was the commissioner, but the customer benefited as services were provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligned with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that were substantially the same and had a similar pattern of transfer. At the year end, the trust accrued income relating to activity delivered in that year, where a patient care spell was incomplete. This accrual was disclosed as a contract receivable as entitlement to payment for work completed was usually only dependent on the passage of time.

In 2019/20, the Provider Sustainability Fund and Financial Recovery Fund enabled providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the trust's interim performance does not create an asset with alternative use for the trust, and the trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

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 performance obligations are satisfied. In practical terms this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Note 1.5 Other forms of income Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement

of Comprehensive Income to match that expenditure. Where the grants is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.6 Expenditure on employee benefits Short-term employee benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

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

Note 1.7 Expenditure on other goods and services

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

Note 1.8 Discontinued operations

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are 'machinery of government changes' and treated as continuing operations.

Note 1.9 Property, plant and equipment Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

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

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.

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.

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

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

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

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.

Depreciation

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

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Revaluation gains and losses

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

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.

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

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 and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. 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.

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.

In 2020/21 this includes assets donated to the trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

Useful lives of property, plant and equipment

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

	Min life Years	Max life Years
Land	–	–
Buildings, excluding dwellings	1	75
Dwellings	16	49
Plant & machinery	4	27
Transport equipment	10	10
Information technology	3	10
Furniture & fittings	10	23

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

Note 1.10 Intangible assets Recognition

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

Internally generated intangible assets

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

Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

Software

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

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 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.

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.

Useful lives of intangible assets

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

	Min life Years	Max life Years
Information technology	5	10
Development expenditure	-	-
Websites	-	-
Software licences	3	10
Licences & trademarks	-	-
Patents	-	-
Other (purchased)	-	-
Goodwill	-	-

Note 1.11 Inventories

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

In 2020/21, the trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

Note 1.12 Investment properties

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

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

Note 1.13 Cash and cash equivalents

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

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 1.14 Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities arise where the trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

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

Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

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

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

Financial assets and financial liabilities at amortised cost

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

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments

or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Financial assets measured at fair value through other comprehensive income

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

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

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

Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

Impairment of financial assets

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

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

Income received under the NHS injury cost recovery scheme is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset. Each year, the Compensation Recovery Unit (CRU) advises a percentage probability of not receiving the income. For 2020/21 this figure is 22.43% which is included in Note 24.2.

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

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

Derecognition

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

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

Note 1.15 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The trust as a lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property, plant and equipment.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

The trust as a lessor

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the trust's net investment outstanding in respect of the leases.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Note 1.16 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 HM Treasury's discount rates effective for 31 March 2021:

		Nominal rate
Short-term	Up to 5 years	Minus 0.02%
Medium-term	After 5 years up to 10 years	0.18%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2021:

	Inflation rate
Year 1	1.20%
Year 2	1.60%
Into perpetuity	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.95% in real terms.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 34 but is not recognised in the trust's accounts.

Non-clinical risk pooling

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

Note 1.17 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 35 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 35, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.18 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

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, with certain additions and deductions as defined by the Department of Health and Social Care.

This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts- and-foundation-trusts.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.19 Value added tax

Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.20 Corporation tax

The trust has no corporation tax liability.

Note 1.21 Climate change levy

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

Note 1.22 Foreign exchange

The functional and presentational currency of the trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items are translated at the spot exchange rate on 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

Note 1.23 Third party assets

Assets belonging to third parties in which the trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM

Note 1.24 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.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.25 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.26 Transfers of functions to / from other NHS bodies / local government bodies

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

Note 1.27 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2020/21.

Note 1.28 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and

finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be defined by HM Treasury. Currently this rate is 0.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The implementation date for IFRS 16 in the NHS was revised to 1 April 2022 in November 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable. However, the trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

Other standards, amendments and interpretations

IFRS 17 Insurance Contracts – the effective date for IFRS17 is now 2023/24 but work has not yet started on understanding its impact in the NHS.

Note 1.29 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 accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

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

Note 1.30 Sources of estimation uncertainty

In the application of the NHS trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

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

Revaluation: The trust commissioned Cushman and Wakefield ("C&W") to undertake the revaluation of the trust's estate as at 31 March 2021. Specialised buildings are valued at Depreciated Replacement Cost defined as Modern Equivalent Asset.

The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. Although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact. The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date

property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, the C&W valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 C&W highlight the importance of the valuation date.

Building Safety – Market Uncertainty

The aftermath of the Grenfell Fire on 14 June 2017 resulted in a wholesale review of the regime relating to building safety. A public inquiry commenced in 2018 with a report on the findings of the first phase of the inquiry published in October 2019. The second phase of the inquiry commenced in January 2020 and is still ongoing. An Independent Review of Building Regulations and Fire Safety led by Dame Judith Hackitt was published in May 2018. This included recommendations for a new Building Regulations regime for residential buildings of 10 storeys (30m) or higher. The Government subsequently announced that Building Regulations would be amended from 21 December 2018 to ban the use of combustible materials on the external walls of new buildings over 18m containing flats, as well as, inter alia, buildings such as new hospitals, residential care homes and student accommodation. Due to the changes to the building regulations the ban will affect existing buildings undergoing major works or a change of use. On 20 January 2020 MHCLG published "Building safety advice for building owners, including fire doors" which consolidated the previously published advice notes including Advice Note 22. The advice note specifically deals with aluminum composite material panels, high pressure laminate panels, spandrel panels, balconies and external wall insulation systems as well as smoke control systems and fire doors. The advice note does not cover all types of wall systems for buildings below 18 metres but consideration is to be given to the spread of fire externally through the fire risk assessment taken into consideration the buildings occupancy and other factors which may result in remedial actions being required.

The Government has published a draft Building Safety Bill, the aim of which is to implement and enforce a new regime to ensure the safety and performance of all buildings. Under the proposed Act, there will be certain classified 'higher risk buildings' which the Government propose to define as two or more dwellings where the floor surface of the

building's top storey is 18 metres or more above ground level or the building contains more than six stories. The Act will create a new Building Safety Regulator who will have powers to ensure that the regulations under the Act are met. The Act proposes changes to the Building Act 1984 and introduces an accountable person who is the entity that must ultimately discharge the duties. An accountable person is defined as the individual or entity that owns a legal estate in possession in any part of the common parts or a person who is under a repairing obligation in relation to any part of the common parts. Market participants continue to be affected by details of construction, health and safety, and particularly fire prevention, mitigation and means of escape from buildings where people sleep. The Government's proposed legislation is far reaching and will provide a new regime for building regulations compliance. In the light of these circumstances, this valuation has been undertaken in the context of a changing regulatory environment and C&W would therefore recommend that it is kept under regular review.

The NHS Pensions Scheme provides cover for past and present employees, and is subject to a full actuarial valuation every five years (see note 9). The Trust carries provisions in certain instances relating to early retirement, based on latest actuarialinformation provided by the NHS Pensions Agency. This is therefore subject to change which is recognised in the period to which it arises.

The Trust maintains insurance against potential legal claims, which are managed by the NHS Resolution. The Trust makes provisions for the estimated excess liabilities due under this policy, in line with information provided by the NHS Resolution. Uncertainty in estimation may relate to the timing of potential settlements, although the liability to the Trust will be limited to the level of the excess.

Land and building assets are valued on the basis explained in Notes 1.9 and 16. A professional firm of valuers has provided the Trust with a valuation based on estimated fair value and remaining useful life. As the Trust's land and buildings are infrastructural in nature, and thus do not have a conventional market value in use; the valuations are based on estimates provided by suitably qualified professionals in accordance with HM Treasury guidance. Future revaluations of property may result in further changes to the carrying values of non-current assets.

The Trust's management determines the estimated useful lives and depreciation charges for all property, plant and equipment assets (with the exception of land). These estimates are based on past experience and practice across the health sector, as well as drawing on the technical expertise within the Trust. Management will increase the depreciation charges where useful lives are less than previously estimated lives, or it will write off or write down assets that are obsolete, abandoned or sold.

Useful lives for land, buildings and dwellings are determined by independent valuers and management reviews these for reasonableness.

Note 2 Operating Segments

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

Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4.

Note 3.1 Income from patient care activities (by nature)

	2020/21 £000	2019/20 £000
Acute services		
Block contract / system envelope income*	357,322	307,338
High cost drugs income from commissioners (excluding pass-through costs)	31,669	32,841
Other NHS clinical income	7	129
All services		
Private patient income	836	1,203
Additional pension contribution central funding**	12,029	10,891
Other clinical income	32,246	32,552
Total income from activities	434,109	384,954

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.

**The employer contribution rate for NHS pensions increased from 14.38% to 20.68% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

Note 3.2 Income from patient care activities (by source)

	2020/21 £000	2019/20 £000
Income from patient care activities received from:		
NHS England	82,278	73,562
Clinical commissioning groups	318,742	277,508
Department of Health and Social Care	–	–
Other NHS providers	1,272	1,144
NHS other	7	129
Local authorities	–	–
Non-NHS: private patients	836	1,203
Non-NHS: overseas patients (chargeable to patient)	39	159
Injury cost recovery scheme	869	1,446
Non NHS: other	30,066	29,803
Total income from activities	**434,109**	**384,954**
Of which:		
Related to continuing operations	434,109	384,954
Related to discontinued operations	–	–

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

	2020/21 £000	2019/20 £000
Income recognised this year	39	159
Cash payments received in-year	42	50
Amounts added to provision for impairment of receivables	(11)	92
Amounts written off in-year	5	2

Note 4 Other operating income

	2020/21			2019/20		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	757	–	757	198	–	198
Education and training	13,478	–	13,478	12,965	–	12,965
Non–patient care services to other bodies	1,655	–	1,655	1,689	–	1,689
Provider sustainability fund (2019/20 only)	–	–	–	2,909	–	2,909
Financial recovery fund (2019/20 only)	–	–	–	1,914	–	1,914
Marginal rate emergency tariff funding (2019/20 only)	–	–	–	4,758	–	4,758
Reimbursement and top up funding	39,075	–	39,075	–	–	–
Receipt of capital grants and donations*	–	1,642	1,642	–	1,052	1,052
Charitable and other contributions to expenditure**	–	8,667	8,667	–	–	–
Other income***	12,060	–	12,060	11,414	–	11,414
Total other operating income	**67,025**	**10,309**	**77,334**	**35,847**	**1,052**	**36,899**
Of which:						
Related to continuing operations			77,334			36,899
Related to discontinued operations			–			–

* This includes donated equipment from group bodies for COVID response.

** This includes donated inventories and equipment below capitalisation threshold for COVID response.

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

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2020/21 £000	2019/20 £000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	1,312	1,265
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	–	–

Note 5.3 Fees and charges

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

Note 6.1 Operating expenses

	2020/21 £000	2019/20 £000
Purchase of healthcare from non-NHS and non-DHSC bodies	378	779
Staff and executive directors costs	341,265	297,561
Remuneration of non-executive directors	135	100
Supplies and services – clinical (excluding drugs costs)	30,154	30,050
Supplies and services – clinical (utilisation of donated consumables from DHSC group bodies for COVID response)	7,847	–
Supplies and services – general	6,258	5,565
Supplies and services –general (notional cost of donated equipment from DHSC for COVID response below the capitalisation threshold)	173	–
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	43,110	43,898
Inventories written down (including inventories donated from DHSC for COVID response)*	394	491
Consultancy costs	550	2,363
Establishment	7,522	7,472
Premises	31,704	19,706
Transport (including patient travel)	727	738
Depreciation on property, plant and equipment	10,976	9,873
Amortisation on intangible assets	980	905

	2020/21 £000	2019/20 £000
Net impairments	(6,071)	3,552
Movement in credit loss allowance: contract receivables / contract assets	188	507
Increase/(decrease) in other provisions	210	192
Change in provisions discount rate(s)	(5)	(8)
Audit fees payable to the external auditor		
audit services- statutory audit**	129	101
other auditor remuneration (external auditor only)	–	4
Internal audit costs	114	105
Clinical negligence	13,294	13,297
Legal fees	606	364
Insurance	34	42
Education and training	2,633	1,521
Rentals under operating leases	7,847	7,464
Car parking & security	697	472
Hospitality	–	4
Losses, ex gratia & special payments	26	37
Other	1,206	521
Total	**503,081**	**447,676**
Of which:		
Related to continuing operations	503,081	447,676
Related to discontinued operations	–	–

*this includes £112k price impairment for inventories donated from DHSC for COVID response. This is also included within Consumables in Note 23.

**audit services- statutory audit of £107,650 plus £21,530 of VAT.

Note 6.2 Other auditor renumeration

	2020/21 £000	2019/20 £000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	–	–
2. Audit-related assurance services	–	4
3. Taxation compliance services	–	–
4. All taxation advisory services not falling within item 3 above	–	–
5. Internal audit services	–	–
6. All assurance services not falling within items 1 to 5	–	–
7. Corporate finance transaction services not falling within items 1 to 6 above	–	–
8. Other non-audit services not falling within items 2 to 7 above	–	–
Total	**–**	**4**

Note 6.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £5 million (2019/20: £5 million).

Note 7 Impairment of assets

	2020/21 £000	2019/20 £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	(6,071)	3,552
Other	–	–
Total net impairments charged to operating surplus / deficit	**(6,071)**	**3,552**
Impairments charged to the revaluation reserve	(5,421)	(739)
Total net impairments	**(11,492)**	**2,813**

The trust commissioned Cushman and Wakefield to undertake a full revaluation of the trust's Estate as at 31 March 2021. As a result of this revaluation, impairments to the value of £9,296k have been charged to SoCI and previous impairments of £15,367k have been reversed, giving a net total of £6,071k. Impairments of £3,569k have been charged to the Revaluation Reserve and £8,990k of impairments previously charged to the Revaluation Reserve have been reversed, giving a net increase of £5,421k to the Revaluation Reserve.

Note 8 Employee benefits

	2020/21 £000	2019/20 £000
Salaries and wages	221,529	195,148
Social security costs	22,656	19,439
Apprenticeship levy	1,152	1,050
Employer's contributions to NHS pensions	39,737	35,939
Pension cost - other	–	–
Other post employment benefits	–	–
Other employment benefits	–	–
Termination benefits	–	–
Temporary staff (bank)	27,437	20,782
Temporary staff (including agency)	29,902	26,725
Total gross staff costs	**342,413**	**299,083**
Recoveries in respect of seconded staff	–	–
Total staff costs Of which	**342,413**	**299,083**
Costs capitalised as part of assets	1,148	1,522

Note 8.1 Retirements due to ill-health

During 2020/21 there were 2 early retirements from the trust agreed on the grounds of ill-health (6 in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements is £53k (£296k in 2019/20).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 9 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as at 31 March 2020, updated to 31 March 2021 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 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

Note 10 Operating leases

Note 10.1 The Shrewsbury And Telford Hospital NHS Trust as a lessor

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

Note 10.2 The Shrewsbury and Telford Hospital NHS Trust as a lessee

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

The trust has a lease for computerised digital imaging and archiving service and diagnostic equipment leases in Radiology across both sites.

The trust has an operating lease relating to an investment in replacing the boiler plant at the Royal Shrewsbury Hospital.

The trust has a managed print service contract for both hospitals.

The trust has leases for offsite office accommodation, off site sterile services, off-site medical records storage and off site accommodation for the Fertility department facility.

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

The trust has several managed service contracts for the provision of services within the Pathology department. The trust leases various properties/units through NHS Property Services and other NHS organisations.

The trust also has lease cars.

	2020/21	2019/20
	£000	£000
Operating lease expense		
Minimum lease payments Contingent rents	7,847	7,464
Less sublease payments received	–	–
Total	**7,847**	**7,464**

Future minimum lease payments due:	31 March 2021 £000	31 March 2020 £000
On buildings leases:		
– not later than one year;	1,436	1,396
– later than one year and not later than five years;	5,105	4,751
– later than five years.	3,322	5,370
Total	**9,863**	**11,517**

Future minimum lease payments due:	31 March 2021 £000	31 March 2020 £000
On other leases:		
– not later than one year;	5,587	5,957
– later than one year and not later than five years;	11,807	15,939
– later than five years.	532	1,929
Total	**17,926**	**23,825**
Future minimum sublease payments to be received	–	–

Future minimum lease payments due:	31 March 2021 £000	31 March 2020 £000
On all leases:		
– not later than one year;	7,023	7,353
– later than one year and not later than five years;	16,912	20,690
– later than five years.	3,854	7,299
Total	**27,789**	**35,342**
Future minimum sublease payments to be received	–	–

Note 11 Finance income

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

	2020/21 £000	2019/20 £000
Interest on bank accounts Interest income on finance leases	–	101
Interest on other investments / financial assets	–	–
Other finance income	–	–
Total finance income	**–**	**101**

Note 12.1 Finance expenditure

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

	2020/21 £000	2019/20 £000
Interest expense:		
Loans from the Department of Health and Social Care	-	972
Other loans	-	-
Overdrafts	-	-
Finance leases	-	-
Interest on late payment of commercial debt	-	-
Total interest expense	**-**	**972**
Unwinding of discount on provisions	(2)	(5)
Other finance costs	-	-
Total finance costs	**(2)**	**967**

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

The trust has no late payment interest that requires disclosure within this note.

Note 13 Other gains / (losses)

	2020/21 £000	2019/20 £000
Gains on disposal of assets	–	–
Losses on disposal of assets	(233)	(369)
Total gains / (losses) on disposal of assets	**(233)**	**(369)**
Gains / (losses) on foreign exchange	–	–
Fair value gains / (losses) on investment properties	–	–
Fair value gains / (losses) on financial assets / investments	–	–
Fair value gains / (losses) on financial liabilities	–	–
Other gains / (losses)	–	–
Total other gains / (losses)	**(233)**	**(369)**

Note 14 Discontinued operations

There are no discontinued operations.

Note 15.1 Intangible assets – 2020/21

	Software licences £000	Internally generated information technology £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2020 - brought forward	**48**	**4,654**	**4,751**	**9,453**
Transfers by absorption	-	-	-	**-**
Additions	1,119	1,351	4,389	**6,859**
Impairments	-	-	-	**-**
Reversals of impairments	-	-	-	**-**
Revaluations	-	-	-	**-**
Reclassifications	3,203	1,798	(4,751)	**250**
Transfers to / from assets held for sale	-	-	-	**-**
Disposals / derecognition	-	-	-	**-**
Valuation / gross cost at 31 March 2021	**4,370**	**7,803**	**4,389**	**16,562**
Amortisation at 1 April 2020 - brought forward	**20**	**3,023**	**-**	**3,043**
Transfers by absorption	-	-	-	**-**
Provided during the year	190	790	-	**980**
Impairments	-	-	-	**-**
Reversals of impairments	-	-	-	**-**
Revaluations	-	-	-	**-**
Reclassifications	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	**-**
Disposals / derecognition	-	-	-	**-**
Amortisation at 31 March 2021	**210**	**3,813**	**-**	**4,023**
Net book value at 31 March 2021	**4,160**	**3,990**	**4,389**	**12,539**
Net book value at 1 April 2020	**28**	**1,631**	**4,751**	**6,410**

Note 15.2 Intangible assets – 2019/20

	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - as previously stated	**279**	**6,972**	**95**	**7,346**
Transfers by absorption	-	-	-	**-**
Additions	3	123	4,656	**4,782**
Impairments	-	-	-	**-**
Reversals of impairments	-	-	-	**-**
Revaluations	-	-	-	**-**
Reclassifications	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	**-**
Disposals / derecognition	(234)	(2,441)	-	**(2,675)**
Valuation / gross cost at 31 March 2020	**48**	**4,654**	**4,751**	**9,453**
Amortisation at 1 April 2019 - as previously stated	**198**	**4,529**	**-**	**4,727**
Transfers by absorption	-	-	-	**-**
Provided during the year	44	861	-	**905**
Impairments	-	-	-	**-**
Reversals of impairments	-	-	-	**-**
Revaluations	-	-	-	**-**
Reclassifications	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	**-**
Disposals / derecognition	(222)	(2,367)	-	**(2,589)**
Amortisation at 31 March 2020	**20**	**3,023**	**-**	**3,043**
Net book value at 31 March 2020	**28**	**1,631**	**4,751**	**6,410**
Net book value at 1 April 2019	**81**	**2,443**	**95**	**2,619**

Note 16.1 Property, plant and equipment – 2020/21

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2020 - brought forward	**14,088**	**107,081**	**2,131**	**9,675**	**48,032**	**388**	**10,877**	**1,766**	**194,038**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Additions	-	13,688	-	11,051	8,552	-	4,086	374	**37,751**
Impairments	(2,009)	(10,752)	(1,574)	-	-	-	-	-	**(14,335)**
Reversals of impairments	1,421	20,471	890	-	-	-	-	-	**22,782**
Revaluations	-	36,216	-	-	-	-	-	-	**36,216**
Reclassifications	-	3,947	-	(5,750)	248	-	1,304	1	**(250)**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(2,718)	-	-	-	**(2,718)**
Valuation/gross cost at 31 March 2021	**13,500**	**170,651**	**1,447**	**14,976**	**54,114**	**388**	**16,267**	**2,141**	**273,484**
Accumulated depreciation at 1 April 2020 - brought forward	**-**	**273**	**-**	**-**	**27,239**	**307**	**4,159**	**755**	**32,733**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Provided during the year	-	4,900	81	-	3,715	30	2,082	168	**10,976**
Impairments	-	(1,402)	(68)	-	-	-	-	-	**(1,470)**
Reversals of impairments	-	(1,562)	(13)	-	-	-	-	-	**(1,575)**
Revaluations	-	(1,871)	-	-	-	-	-	-	**(1,871)**
Reclassifications	-	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(2,485)	-	-	-	**(2,485)**
Accumulated depreciation at 31 March 2021	**-**	**338**	**-**	**-**	**28,469**	**337**	**6,241**	**923**	**36,308**
Net book value at 31 March 2021	**13,500**	**170,313**	**1,447**	**14,976**	**25,645**	**51**	**10,026**	**1,218**	**237,176**
Net book value at 1 April 2020	**14,088**	**106,808**	**2,131**	**9,675**	**20,793**	**81**	**6,718**	**1,011**	**161,305**

Note 16.2 Property, plant and equipment – 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - as previously stated	**14,531**	**104,335**	**2,151**	**6,114**	**49,896**	**388**	**11,915**	**2,659**	**191,989**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Additions	-	8,081	173	6,569	2,594	-	1,611	124	**19,152**
Impairments	(443)	(7,781)	(212)	-	-	-	-	-	**(8,436)**
Reversals of impairments	-	1,103	-	-	-	-	-	-	**1,103**
Revaluations	-	408	20	-	-	-	-	-	**428**
Reclassifications	-	935	(1)	(3,008)	650	-	1,348	76	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(5,108)	-	(3,997)	(1,093)	**(10,198)**
Valuation/gross cost at 31 March 2020	**14,088**	**107,081**	**2,131**	**9,675**	**48,032**	**388**	**10,877**	**1,766**	**194,038**
Accumulated depreciation at 1 April 2019 - as previously stated	**-**	**221**	**-**	**-**	**28,414**	**272**	**6,823**	**1,690**	**37,420**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Provided during the year	-	4,678	19	-	3,649	36	1,333	158	**9,873**
Impairments	-	(2,371)	(20)	-	-	-	-	-	**(2,391)**
Reversals of impairments	-	(2,129)	-	-	-	-	-	-	**(2,129)**
Revaluations	-	(125)	-	-	-	-	-	-	**(125)**
Reclassifications	-	(1)	1	-	1	(1)	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(4,825)	-	(3,997)	(1,093)	**(9,915)**
Accumulated depreciation at 31 March 2020	**-**	**273**	**-**	**-**	**27,239**	**307**	**4,159**	**755**	**32,733**
Net book value at 31 March 2020	**14,088**	**106,808**	**2,131**	**9,675**	**20,793**	**81**	**6,718**	**1,011**	**161,305**
Net book value at 1 April 2019	**14,531**	**104,114**	**2,151**	**6,114**	**21,482**	**116**	**5,092**	**969**	**154,569**

Note 16.3 Property, plant and equipment financing – 2020/21

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2021									
Owned - purchased	13,500	162,781	1,115	14,944	20,879	51	9,954	1,088	**224,312**
Finance leased	-	-	-	-	-	-	-	-	**-**
Owned - donated/granted	-	7,532	332	32	4,766	-	72	130	**12,864**
NBV total at 31 March 2021	**13,500**	**170,313**	**1,447**	**14,976**	**25,645**	**51**	**10,026**	**1,218**	**237,176**

Note 16.4 Property, plant and equipment financing - 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020									
Owned - purchased	14,088	103,223	2,021	9,457	16,426	81	6,618	927	**152,841**
Finance leased	-	-	-	-	-	-	-	-	**-**
Owned - donated/granted	-	3,585	110	218	4,367	-	100	84	**8,464**
NBV total at 31 March 2020	**14,088**	**106,808**	**2,131**	**9,675**	**20,793**	**81**	**6,718**	**1,011**	**161,305**

Note 17 Donations of property, plant and equipment

During 2020/21 donations have been received from by Royal Shrewsbury Hospital League of Friends; Friends of Princess Royal Hospital; The Shrewsbury and Telford Hospital NHS Trust Charitable Funds, Lingen Davies Cancer Fund and Macmillan Cancer Support mostly for the purchase of medical equipment. During 2020/21 the trust has received donations of a number of assets from DHSC as part of the coronavirus pandemic response including ventilators, patient monitors, video laryngoscopes, mobile x-ray and testing equipment.

Note 18 Revaluations of property, plant and equipment

The trust commissioned Cushman and Wakefield to undertake a full revaluation of the trust's Estate as at 31 March 2021. The valuation has been prepared by Craig Chatwin MRICS, Associate and Joe Williams MRICS, Associate under the supervision of David Wilson MRICS, Partner and Jonathan Crawford MRICS, Partner, all of whom are RICS Registered Valuers. The valuation has been prepared in accordance with the RICS Valuation – Global Standards, which incorporate the International Valuation Standards ("IVS") and the RICS UK National Supplement (the "RICS Red Book"), edition current at the Valuation Date. It follows that the valuation is compliant with IVS.

As a result of these revaluations the Net Book Value of the Estate was valued upwards by £49,578k as follows: Revaluation Reserve – total £43,507k increase, representing a revaluation upwards of £38,086k and net increase of

£5,421k relating to reversals and impairments charged - impairments charged of £3,569k and reversal of impairments of £8,990k. Impairments to the value of £9,296k have been charged to SoCI and previous impairments of £15,367k have been reversed, giving a net total of £6,071k.

The gross carrying amount of fully depreciated assets held by the trust is £12,893k.

Note 19.1 Investment Property

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

Note 20 Investments in associates and joint ventures

The trust has no investments in associates or joint ventures.

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

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

Note 22 Disclosure of interests in other entities

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

Note 23 Inventories

	31 March 2021 £000	31 March 2020 £000
Drugs	2,459	2,571
Work In progress	–	–
Consumables	6,705	5,706
Energy	146	146
Other	–	–
Total inventories of which:	**9,310**	**8,423**
Held at fair value less costs to sell	–	–

Inventories recognised in expenses for the year were £81,831k (2019/20: £74,261k). Write-down of inventories recognised as expenses for the year were £394k (2019/20: £491k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the trust received £8,494k of items purchased by DHSC.

Total inventories include £535k of DHSC centrally procured personal protective equipment held at the end of the financial year.

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

Note 24.1 Receivables

	31 March 2021 £000	31 March 2020 £000
Current		
Contract receivables	17,346	11,662
Contract assets	–	–
Capital receivables	–	–
Allowance for impaired contract receivables / assets	(844)	(945)
Allowance for other impaired receivables	–	–
Deposits and advances	–	–
Prepayments	1,619	2,395
Interest receivable	–	8
Finance lease receivables	–	–
PDC dividend receivable	–	37
VAT receivable	2,880	2,684
Corporation and other taxes receivable	–	–
Other receivables	1,542	2,287
Total current receivables	**22,543**	**18,128**
Non-current		
Contract receivables	869	1,446
Contract assets	–	–
Capital receivables	–	–
Allowance for impaired contract receivables / assets	–	–
Allowance for other impaired receivables	–	–
Deposits and advances Interest receivable	–	–
Finance lease receivables	–	–
VAT receivable	–	–
Corporation and other taxes receivable	–	–
Other receivables*	1,162	–
Total non-current receivables	**2,031**	**1,446**
Of which receivable from NHS and DHSC group bodies:		
Current	16,010	10,452
Non-current	1,162	–

*Non-current 'Other receivables' relate to the clinical pension tax reimbursement. A contra entry has been set up in Provisions (see Note 33.1). In 2019/20 £937k was included in Current 'Other receivables'.

Note 24.2 Allowances for credit losses

	2020/21		2019/20	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 April – brought forward	**945**	**–**	**774**	**–**
Prior period adjustments			–	–
Allowances as at 1 April – restated	**945**	**–**	**774**	**–**
Transfers by absorption	–	–	–	–
New allowances arising	232	–	575	–
Changes in existing allowances	–	–	–	–
Reversals of allowances	(44)	–	(68)	–
Utilisation of allowances (write offs)	(289)	–	(336)	–
Changes arising following modification of contractual cash flows	–	–	–	–
Foreign exchange and other changes	–	–	–	–
Allowances as at 31 March 2021	**844**	**–**	**945**	**–**

Injury cost recovery income is subject to a provision for impairment of receivables of 22.43% for 2020/21 (previously 21.79%) to reflect expected rates of collection.

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

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

Note 24.3 Exposure to credit risk

The majority of the trust's revenue comes from contracts with other public sector bodies therefore the trust has low exposure to credit risk. The maximum exposures as at 31 March 2021 are in receivables from customers, as disclosed in the trade and other receivables note.

Note 25 Other assets

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

Note 26 Liabilities in disposal groups

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

Note 27 Cash and cash equivalents movements

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

	2020/21 £000	2019/20 £000
At 1 April	**1,700**	**1,700**
Prior period adjustments		–
At 1 April (restated)	**1,700**	**1,700**
Transfers by absorption	–	–
Net change in year	13,705	–
At 31 March	**15,405**	**1,700**
Broken down into:		
Cash at commercial banks and in hand	16	30
Cash with the Government Banking Service	15,389	1,670
Deposits with the National Loan Fund	–	–
Other current investments	–	–
Total cash and cash equivalents as in SoFP	**15,405**	**1,700**
Bank overdrafts (GBS and commercial banks)	–	–
Drawdown in committed facility	–	–
Total cash and cash equivalents as in SoCF	**15,405**	**1,700**

Note 27.1 Third party assets held by the trust

The Shrewsbury and Telford Hospital NHS Trust held cash and cash equivalents which relate to monies held by the trust on behalf of patients or other parties and in which the trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2021 £000	31 March 2020 £000
Bank balances	3	6
Monies on deposit	-	-
Total third party assets	**3**	**6**

Note 28 Trade and other payables

	31 March 2021 £000	31 March 2020 £000
Current		
Trade payables	5,881	6,152
Capital payables	14,227	7,449
Accruals	35,536	17,703
Receipts in advance and payments on account	41	18
Social security costs	191	172
VAT payables	–	–
Other taxes payable	345	400
PDC dividend payable	900	–
Other payables	3,938	88
Total current trade and other payables	**61,059**	**31,982**
Non-current		
Trade payables	–	–
Capital payables	–	–
Accruals	–	–
Receipts in advance and payments on account	–	–
VAT payables	–	–
Other taxes payable	–	–
Other payables	–	–
Total non-current trade and other payables	**–**	**–**
Of which payables from NHS and DHSC group bodies:		
Current	2,691	2,281
Non-current	–	–

Note 29 Other liabilities

	31 March 2021 £000	31 March 2020 £000
Current		
Deferred income: contract liabilities	1,512	1,312
Deferred grants	–	–
Deferred PFI credits / income	–	–
Lease incentives	–	–
Other deferred income	–	–
Total other current liabilities	**1,512**	**1,312**
Non-current		
Deferred income: contract liabilities	–	–
Deferred grants	–	
Deferred PFI credits / income	–	–
Lease incentives	–	–
Other deferred income	–	–
Net pension scheme liability	–	–
Total other non-current liabilities	**–**	**–**

Note 30.1 Borrowings

	31 March 2021 £000	31 March 2020 £000
Current		
Bank overdrafts	-	-
Drawdown in committed facility	-	-
Loans from DHSC	-	82,721
Other loans		
Obligations under finance leases	-	
Total current borrowings	**-**	**82,721**
Non-current		
Loans from DHSC	-	-
Other loans	-	-
Obligations under finance leases	-	-
Total non-current borrowings	**-**	**-**

Due to reforms to the NHS cash regime during 2020/21 existing Department of Health and Social Care interim revenue and capital loans as at 31 March 2020 were extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. DHSC loans of £82,554k were replaced with the issue of PDC and £167k interest paid during the year.

Note 30.2 Reconciliation of liabilities arising from financing activities – 2020/21

	Loans from DHSC	Other loans	Finance leases	Total
	£000	£000	£000	£000
Carrying value at 1 April 2020	**82,721**	**–**	**–**	**82,721**
Cash movements:				
Financing cash flows – payments and receipts of principal	(82,554)	–	–	(82,554)
Financing cash flows – payments of interest	(167)	–	–	(167)
Non-cash movements:				
Transfers by absorption	–	–	–	–
Additions	–	–	–	–
Application of effective interest rate	–	–	–	–
Change in effective interest rate	–	–	–	–
Changes in fair value	–	–	–	–
Early terminations Other changes	–	–	–	–
Carrying value at 31 March 2021	**–**	**–**	**–**	**–**

Note 30.3 Reconciliation of liabilities arising from financing activities – 2019/20

	Loans from DHSC	Other loans	Finance leases	Total
	£000	£000	£000	£000
Carrying value at 1 April 2019	**62,495**	**–**	**–**	**62,495**
Prior period adjustment	–	–	–	–
Carrying value at 1 April 2018 – restated	**62,495**	**–**	**–**	**62,495**
Cash movements:				
Financing cash flows – payments and receipts of principal	20,195	–	–	20,195
Financing cash flows – payments of interest	(941)	–	–	(941)
Non-cash movements:				
Transfers by absorption	–	–	–	–
Additions	–	–	–	–
Application of effective interest rate	972	–	–	972
Change in effective interest rate	–	–	–	–
Changes in fair value	–	–	–	–
Early terminations Other changes	–	–	–	–
Carrying value at 31 March 2021	**82,721**	**–**	**–**	**82,721**

Note 31 Other financial liabilities

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

Note 32 Finance leases

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

Note 33.1 Provisions for liabilities and charges analysis

	Pensions: Early departure Costs	Injury benefits	Legal claims	Clinical pension Tax reimbursement	Total
	£000	£000	£000	£000	£000
At 1 April 2020	**42**	**208**	**220**	**937**	**1,407**
Transfers by absorption	–	–	–	–	–
Change in the discount rate	–	(5)	–	–	(5)
Arising during the year	43	65	133	225	466
Utilised during the year	(42)	(68)	(85)	–	(195)
Reclassified to liabilities held in disposal groups	–	–	–	–	–
Reversed unused	–	–	(31)	–	(31)
Unwinding of discount	–	(2)	–	–	(2)
At 31 March 2021	**43**	**198**	**237**	**1,162**	**1,640**
Expected timing of cash flows:					
– not later than one year;	43	68	237	–	348
– later than one year and not later than five years;	–	130	–	1,162	1,292
– later than five years.	–	–	–	–	–
Total	**43**	**198**	**237**	**1,162**	**1,640**

Early departure costs and injury benefits relate to a provision for future payments payable to the NHS Pensions Agency in respect of former employees.

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

Clinicians who are members of the NHS Pension Scheme and who as a result of work undertaken face a tax charge in respect of the growth of their NHS pension benefits above their pension savings annual allowance threshold will be able to have this charge paid by theNHS Pension Scheme. The Clinical pension tax reimbursement provision has been calculated using the total number of consultants multiplied by a pre-calculated national 'average discounted value per nomination' of £3,927. A contra entry has been set up in Receivables (see Note 24.1).

Note 33.2 Clinical negligence liabilities

At 31 March 2021, £406,841k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of The Shrewsbury and Telford Hospital NHS Trust (31 March 2020: £377,538k).

Note 34 Contingent assets and liabilities

	31 March 2021 £000	31 March 2020 £000
Value of contingent liabilities		
NHS Resolution legal claims	(96)	(88)
Employment tribunal and other employee related litigation	–	–
Redundancy	–	–
Other	–	–
Gross value of contingent liabilities	**(96)**	**(88)**
Amounts recoverable against liabilities	–	–
Net value of contingent liabilities	**(96)**	**(88)**
Net value of contingent assets	**–**	**–**

Note 35 Contractual capital commitments

	31 March 2021 £000	31 March 2020 £000
Property, plant and equipment	5,423	841
Intangible assets	–	1,854
Total	**5,423**	**2,695**

Note 36 Other financial commitments

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

Note 37 Defined benefit pension schemes

The trust has no other defined benefit pension schemes.

Note 38 Financial instruments

Note 38.1 Financial risk management

Note Financial risk management

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

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

Currency risk

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

Interest rate risk

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

The trust may also borrow from government for revenue financing subject to approval by NHS England & NHS Improvement. Interest rates are confirmed by the Department of Health and Social Care (the lender) at the point borrowing is undertaken. The trust has no revenue or capital loans in place as at 31 March 2021.

The trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the trust's revenue comes from contracts with other public sector bodies, the trust has low exposure to credit risk. The maximum exposures as at 31 March 2021 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The trust is not, therefore, exposed to significant liquidity risks subject to the availability of temporary revenue support funding and the demonstration of cash requirement.

Carrying values of financial assets as at 31 March 2021
Trade and other receivables excluding non-financial assets Other investments / financial assets
Cash and cash equivalents
Total at 31 March 2021
Carrying values of financial assets as at 31 March 2020
Trade and other receivables excluding non-financial assets
Other investments / financial assets
Cash and cash equivalents
Total at 31 March 2020

Note 38.2 Carrying values of financial assets

	Held at amortised cost	Held at fair value through I&E	Held at fair value fair value through OCI	Total book value
	£000	£000	£000	£000
Carrying values of financial assets as at 31 March 2021				
Trade and other receivables excluding non-financial assets	20,075	–	–	20,075
Other investments / financial assets	–	–	–	–
Cash and cash equivalents	15,405	–	–	15,405
Total at 31 March 2021	**35,480**	**–**	**–**	**35,480**

	Held at amortised cost	Held at fair value through I&E	Held at fair value fair value through OCI	Total book value
	£000	£000	£000	£000
Carrying values of financial assets as at 31 March 2020				
Trade and other receivables excluding non-financial assets	14,458	–	–	14,458
Other investments / financial assets	–	–	–	–
Cash and cash equivalents	1,700	–	–	1,700
Total at 31 March 2020	**16,158**	**–**	**–**	**16,158**

Note 38.3 Carrying values of financial liabilities

	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Carrying values of financial liabilities as at 31 March 2021			
Loans from the Department of Health and Social Care	–	–	–
Obligations under finance leases	–	–	–
Other borrowings	–	–	–
Trade and other payables excluding non financial liabilities	59,582	–	59,582
Other financial liabilities	–	–	–
Provisions under contract	237	–	237
Total at 31 March 2021	**59,819**	**–**	**59,819**

	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Carrying values of financial liabilities as at 31 March 2020			
Loans from the Department of Health and Social Care	82,721	–	82,721
Obligations under finance leases	–	–	–
Other borrowings	–	–	–
Trade and other payables excluding non financial liabilities	31,391	–	31,391
Other financial liabilities	–	–	–
Provisions under contract	220	–	220
Total at 31 March 2020	**114,332**	**–**	**114,332**

Note 38.4 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	31 March 2021	31 March 2020
	£000	£000
In one year or less	59,819	114,332
In more than one year but not more than five years	–	–
In more than five years	–	–
Total	**59,819**	**114,332**

Note 38.5 Fair values of financial assets and liabilities

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

Note 39 Losses and special payments

	2020/21		2019/20	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	–	–	2	–
Fruitless payments and constructive losses	–	–	–	–
Bad debts and claims abandoned	344	289	302	337
Stores losses and damage to property	37	282	23	491
Total losses	**381**	**571**	**327**	**828**
Special payments				
Compensation under court order or legally binding arbitration award				
Extra-contractual payments	–	–	–	–
Ex-gratia payments	57	252	52	384
Special severance payments	–	–	–	–
Extra-statutory and extra-regulatory payments	1	4	1	35
Total special payments	**58**	**256**	**53**	**419**
Total losses and special payments	**439**	**827**	**380**	**1,247**
Compensation payments received		–		–

£85k of the ex-gratia payments in 2020/21 (£60k in 2019/20) are included in legal claims in Note 33.1 Provisions for liabilities and charges analysis rather than Note 6.1 Operating expenses.

Note 40 Gifts

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

Note 41 Related parties

The Department of Health and Social Care is regarded as the parent department. The main entities within the public sector that the trust has had dealings with during the year are:

NHS Shropshire CCG

NHS Telford and Wrekin CCG

NHS South East Staffs And Seisdon Peninsular CCG NHS Stafford And Surrounds CCG

NHS Herefordshire and Worcestershire CCG NHS England and NHS Improvement

Health Education England NHS Property Services NHS Resolution

Mid Cheshire Hospitals NHS Foundation Trust Shropshire Community Health NHS Trust

St Helens and Knowsley Teaching Hospitals NHS Trust

The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust The Royal Wolverhampton NHS Trust

University Hospitals of North Midlands NHS Trust

Powys Local Health Board

Betsi Cadwaladr University Local Health Board Cwm Taf Local Health Board

NHS Pension Scheme NHS Blood and Transplant HM Revenue and Customs

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

The trust is also linked to Royal Shrewsbury Hospital League of Friends, Friends of Princess Royal Hospital and Lingen Davies Cancer Fund, who donate various pieces of medical equipment to the trust. The trust hires facilities from Shropshire Education and Conference Centre.

Note 42 Transfers by absorption

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

Note 43 Prior period adjustments

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

Note 44 Events after the reporting date

There are no events after the reporting date that need to be included in this note.

Note 45 Better Payment Practice code

	2020/21 Number	2020/21 £000	2019/20 Number	2019/20 £000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	127,194	186,294	137,020	165,375
Total non-NHS trade invoices paid within target	117,168	173,025	40,524	64,607
Percentage of non-NHS trade invoices paid within target	92.1%	92.9%	29.6%	39.1%
NHS Payables				
Total NHS trade invoices paid in the year	2,041	13,771	3,292	11,627
Total NHS trade invoices paid within target	1,814	12,813	2,795	9,687
Percentage of NHS trade invoices paid within target	88.9%	93.0%	84.9%	83.3%

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 46 External financing limit

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

	2020/21 £000	2019/20 £000
Cash flow financing	11,549	29,757
Finance leases taken out in year	–	–
Other capital receipts	–	–
External financing requirement	**11,549**	**29,757**
External financing limit (EFL)	23,821	29,838
Under / (over) spend against EFL	**12,272**	**81**

	2020/21 £000	2019/20 £000
Gross capital expenditure	44,610	23,934
Less: Disposals	(233)	(369)
Less: Donated and granted capital additions	(1,642)	(1,052)
Plus: Loss on disposal from capital grants in kind	–	–
Charge against Capital Resource Limit	**42,735**	**22,513**
Capital Resource Limit	42,816	22,883
Under / (over) spend against CRL	**81**	**370**

Note 48 Breakeven duty financial performance

	2020/21 £000
Adjusted financial performance surplus / (deficit) (control total basis) Remove impairments scoring to Departmental Expenditure Limit	(3,752)
Add back non-cash element of On-SoFP pension scheme charges	-
IFRIC 12 breakeven adjustment	-
Breakeven duty financial performance surplus / (deficit)	**(3,752)**

Note 49 Breakeven duty rolling assessment

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		712	26	59	81	65	(12,130)
Breakeven duty cumulative position	(22,891)	(22,179)	(22,153)	(22,094)	(22,013)	(21,948)	(34,078)
Operating income		262,882	277,980	299,850	309,362	314,106	316,794
Cumulative breakeven position as a percentage of operating income		**(8.4%)**	**(8.0%)**	**(7.4%)**	**(7.1%)**	**(7.0%)**	**(10.8%)**

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	(14,649)	(5,631)	(17,400)	(18,743)	(25,715)	(3,752)
Breakeven duty cumulative position	(48,727)	(54,358)	(71,758)	(90,501)	(116,216)	(119,968)
Operating income	326,477	350,244	359,041	369,186	421,853	511,443
Cumulative breakeven position as a percentage of operating income	**(14.9%)**	**(15.5%)**	**(20.0%)**	**(24.5%)**	**(27.5%)**	**(23.5%)**

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