



# ▶ Annual Report and Accounts

2023/24





Sheffield Health and Social Care NHS  
Foundation Trust  
Annual Report and Accounts 2023/24

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National Health Service Act 2006



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# Section 1.0 Performance Report

## 1.1 Welcome from the Chair and Chief Executive

Welcome to our Annual Report and Accounts for the financial year 2023/24. We are proud to present this report which outlines our achievements over the last year and how we have worked hard at Sheffield Health and Social Care NHS Foundation Trust to continue to deliver outstanding care that is rooted in our values.

We provide mental health, learning disability, autism services to a culturally, economically and socially diverse population of over half a million people in Sheffield. In everything we do we aim to achieve our vision, which is to improve the mental, physical and social wellbeing of the people in our communities.

It's been a year of change, celebration and challenge and throughout this we have continued to focus on driving safety and quality improvement as well as transforming care and services to better meet the needs of our diverse local communities.

Our former Chief Executive Jan Ditheridge left the Trust at the end of June 2023 and we would like to express our gratitude to Jan for her leadership of the Trust over what was a particularly challenging time for the Trust and for the NHS.

In June 2023 and across the summer we celebrated 75 years of the NHS and Salma Yasmeen joined as our new Chief Executive.

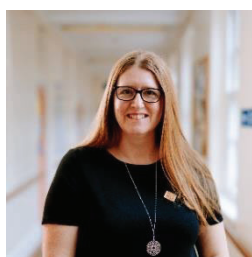
During the course of the year we welcomed new members of the Executive team into Board leadership roles with substantive appointments made to the roles of Executive Director of Nursing, Quality and Professions, Salli Midgley; Director of Operations, Neil Robertson and Director of Strategy James Drury. At the end of the year our Medical Director, Dr Mike Hunter left on secondment to Greater Manchester to lead their Quality Improvement work and Dr Helen Crimslisk, his Deputy has stepped into the role of Interim Medical Director.

Further detail on progress made is covered in the overview of performance.

We would like to thank our staff, governors, members and partners for everything they have done to ensure we deliver on our vision to improve the mental, physical and social wellbeing of the people in our communities.

Please do let us know what you think about this report, and if you have any comments or questions please send them onto us.

Thank you



Sharon Mays  
**Chair**



Salma Yasmeen  
**Chief Executive**

## 1.2 Overview of performance

Over the course of the year we have seen a number of significant positive developments around the way in which we operate and deliver care and services.

We have continued to build on our close partnerships with Sheffield Place, Primary Care Sheffield, the South Yorkshire Integrated Care System (ICS). We are a partner in the South Yorkshire Mental Health, Learning Disability and Autism Provider Collaborative which is chaired by the SHSC Chair Sharon Mays. We also work with Sheffield City Council, the University of Sheffield, Sheffield Hallam University and a range of other Higher Education providers and we have continued to further develop our close ties with established voluntary and community sector organisations including SACMHA, Rethink, Light, Sheffield Flourish, Sheffield Carers Centre, Sheffield Mencap, Sheffield Pakistani Muslim Centre and Synergy which is the overarching Place mental health alliance. These partnerships have helped us to continue to develop inclusive services and support that is person-centred, trauma informed and strengths based.

Some of our key developments this year have included:

- **Transformation of our community mental health care** through an improved integrated primary and community mental health offer for those with serious mental illness. This will be launched in April 2024.
- **Creating one integrated specialist learning disability service** to offer better, more streamlined and timely support to people with learning disabilities in Sheffield. The new Community Learning Disabilities Service (CLDS) will reduce waiting times, provide access based on a person's specific needs, and improve contact between a named person at the service, service users and their families or carers. This is due to be implemented from July 2024.
- **Significantly improved our inpatient settings and developed therapeutic environments that promote recovery.** In January 2024 we opened the new Health Based Place of Safety to support people detained under the Mental Health Act in an improved safe and comfortable environment. In March we opened the refurbished Stanage ward, a 16 bed therapeutic environment for male service users with modern, safe and comfortable features and the work to address remaining wards will take place in 2024/25.
- **Continue to invest in improving safety and quality.** Our commitment to investing in a systematic and integrated approach to change and developing a culture of continuous improvement using quality improvement approaches is taking shape and gaining traction with over 60 Quality Improvement (QI) clinical and operationally led projects either delivered or in the pipeline reflecting a commitment to ongoing quality improvement initiatives. As a result of this work, we have reduced restrictive practice and started to improve experiences for service users waiting for some of our services.
- **We were awarded a bronze accreditation from the Veterans Covenant Healthcare Alliance** to mark our work as an employer and healthcare provider to make sure veterans and their families are supported by our services.

- **We are continuing work to improve the way in which we support carers** and have signed up to the 'triangle of care', a therapeutic alliance between service users, staff members and carers that promotes safety, supports recovery and sustains wellbeing and we are committed to learning from experts by experience who, alongside peer support workers and our diverse staff play an integral part in supporting us to achieve its aims around quality improvement.
- **We are an early adopter for the Patient and Carer Race Equality Framework (PCREF)** and have introduced a number of initiatives in partnership with communities to address inequalities and deliver inclusive services.
- **We launched our new EPR in our older adult** services and will continue to prepare to implement across the rest of the organisation in this next year.
- **Our Early Intervention in Psychosis (EIP) services were rated as a 'top performing' team** nationally in a number of standards including timely access (starting treatment within two weeks of referral) and take up of cognitive behavioural therapy for psychosis, supported employment and education programmes and family interventions. There are areas in which we need to improve such as physical health checks and carer support programmes and as a result, the service's overall score remained as 'needs improvement.' The early intervention service has already started working to make improvements in these areas.
- **Re-accreditation for Forest Close** - a site consisting of 3 rehabilitation wards for adults living in Sheffield has achieved a re-accreditation from the Royal College of Psychiatrists with positive feedback received about the service.
- **It was also a year of celebration with the NHS turning 75 in June 2023.** To mark this our staff were given a locally designed and produced commemorative badge to thank them for their service, compassion and resilience. We were delighted to celebrate the milestone with many of our partners and staff at a special event held at Sheffield Hallam University, who we work closely with to train the next generation of mental health nurses and allied health professionals. We also made a commitment to plant 75 trees over the 12 months from June 2023 which we completed in early 2024.

Across the year we have continued to also focus on developing our Trust as a great place to work:

- **Whilst we made improvements across all six domains of the people promise in the staff survey this year**, we recognise we have much more to do to improve our overall scores, and to demonstrate to our staff that we heard and acted upon their feedback, and this will remain a focus in 2024-25.
- **Our six staff network groups support us to create a culture where everybody counts** and where people feel able to raise concerns. This year the staff network policy group was set up to support the staff network groups



to influence the development and review of policies in a range of areas including equality, diversity, and inclusion issues.

- **We have made improvements to the support we give staff to stay well and in work** through introducing a systematic approach to reasonable adjustments.
- **In February 2024 we celebrated our brilliant workforce through our refreshed Staff Shine awards.** The awards night was a sell-out event that showcased the best of our work to improve the lives for the people we serve.
- **We continue to invest in developing our health and wellbeing offers** for our staff including developing partnerships to support staff with their financial wellbeing, and we were proud to have been accredited as a Menopause friendly employer in 2023.
- **We delivered a flu and COVID-19 vaccination campaign throughout Autumn and Winter 2023/24** which was supported through use of a bespoke vaccination van to make access to vaccines easier for staff working across our sites and on shifts.

Over the next year we will be continuing to focus on:

- Working with our colleagues to build a culture where everyone counts, and we communicate with each other well.
- Launching improvements to our service offer and finishing our Therapeutic Environments Programmes
- Continuing to address challenges with some of our waiting lists and supporting people to 'wait well'.
- Delivering our value improvement programme and managing our resources effectively.
- Investing in development of our electronic patient record (EPR) and in building our digital maturity to be fit for purpose in future years.
- Building on our research and innovation capability. We are one of only four mental health trusts which are part of the University Hospitals Association, and we will be looking to explore ways in which we can use our membership to further champion and celebrate our research and innovation activity.
- Investing in our Integrated Change and Improvement approach that supports and enables a culture of continuous improvement.
- Building on our partnerships in place, system and with our local communities to improve care and services and address inequalities.
- Transforming our community services and our Learning Disability Services



Salma Yasmeen  
**Chief Executive**

### 1.3 Who we are

We have operated as Sheffield Health and Social Care NHS Foundation Trust (SHSC) since 2008.

We serve a population of approximately 580,000 people and provide services to around 55,000 people a year, with Sheffield residents making up about 94% of all service users we provide care and treatment for.

Our annual income is approximately £159.6m including some funding for Research and Development of £2.3m, and we are proud to employ a diverse workforce of over 2,600 who support us to deliver services.

We provide a wide range of mental health, learning disability and autism services in Sheffield. This includes rehabilitation services, psychological therapies, community-based services, low-secure forensic inpatient services and inpatient services for adults and older people. We also provide some specialist services across South Yorkshire such as gender identity, eating disorders and our autism service.



The services we provide, and the locations they are provided in, are tailored to suit the individual needs of our service users, their families, and carers. That means many of our services are provided in the community, to ensure we can provide support, care, and treatment to service users close to their homes and help them to maintain their independence as much as possible. We also provide a range of inpatient services for people who cannot be best supported within their community.

We deliver our services from around 273 sites across Sheffield, mainly from our own premises but also in partnership with other organisations, such as our Liaison Psychiatry team which is based at the Northern General Hospital and our staff who work in people's homes and alongside the Voluntary, Community and Social Enterprise Sector (VCSE) as well as within primary care.

We work with partners in the South Yorkshire Integrated Care System and as part of the Mental Health, Learning Disability and Autism Provider Collaborative, which

seeks to identify priorities where we can work together to improve care and access. We are also part of the Sheffield Health and Care Partnership and we work together with partners in the Local Authority, voluntary and community sector.

Our main commissioning partners are the South Yorkshire Integrated Care Board and NHS England.

As a Foundation Trust our Board of Directors is accountable to the communities we serve through our Council of Governors, and directly to our members who are invited to our Annual Members Meeting.

Our Council of Governors includes people who use our services, carers, members of the public and staff representatives. We also have appointed governors from Sheffield-based organisations as follows:

- Sheffield City Council
- Sheffield Hallam University
- University of Sheffield
- Sheffield Carers Centre
- Sheffield African and Caribbean Mental Health Association
- Sheffield Mencap
- Sheffield Pakistani Muslim Centre

The diverse membership of our Council of Governors helps our Board of Directors ensure that our services are inclusive and are shaped by, and are responsive to, the needs of the people who live in the communities we serve.

## **1.4 Who we work with**

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

#### **1.4.1.1 Our commissioners**

As an NHS Foundation Trust, we provide a range of services, covering direct care services, training, teaching and support functions. The main commissioners of our services are NHS England, NHS South Yorkshire Integrated Care Board, Sheffield City Council, South Yorkshire Provider Collaborative and NHS England and NHS Clinical Commissioning Group together with Housing Associations who commission our residential care services.

#### **1.4.1.2 How we work with our partners**

We work in partnership with organisations that commission our services, namely NHS South Yorkshire Integrated Care Board (ICB), and Sheffield City Council as well through the South Yorkshire Mental Health, Learning Disability and Autism Provider Collaborative to support us in our understanding and planning to address, the health and social care needs of the wider population, to influence the commissioning approach taken either in place or across a larger footprint and to develop services for the benefit of the people of Sheffield and South Yorkshire.

In the South Yorkshire Integrated Care System provider collaboratives are an important part of how we work together. SHSC is proud to be a member of the Mental Health, Learning Disability and Autism Provider Collaborative, along with our neighbouring trusts.

Together we have initially focused on establishing trust and creating robust partnership decision making arrangements. We have established a South Yorkshire Provider Collaborative Board, which takes the form of committees in common of each constituent trust board, and is chaired by our trust chair, Sharon Mays.

Through this arrangement we have agreed four major priorities that the provider collaborative will continue to work on together. They are:

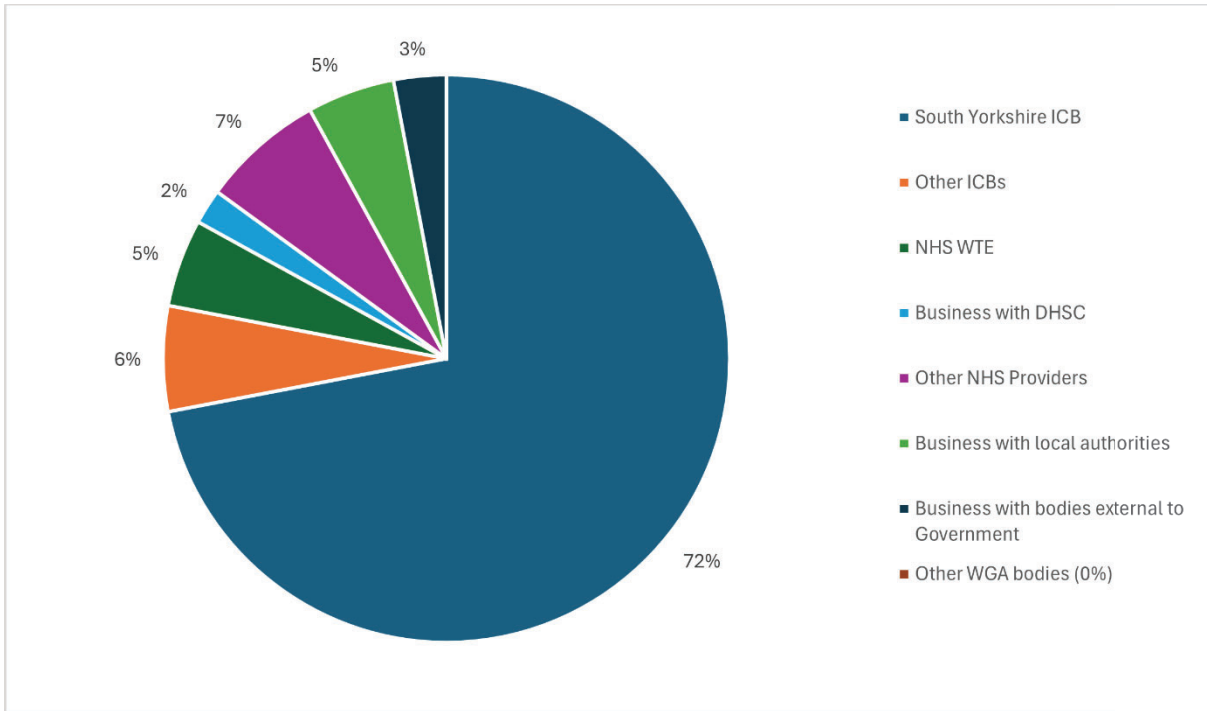
- Neurodiversity – improving timely access to ADHD and Autism diagnosis and support
- Health based places of safety – increasing the availability of suitable health based places of safety for people experiencing mental health crises
- Learning Disabilities – reducing the overuse of psychotropic medications for people with learning disabilities
- Eating Disorders – increasing the use of community support, and enhancing the therapeutic benefits of inpatient care

There is a clear drive to change the way services are provided in Sheffield to deliver real improvements in community care and support for individuals' health and social care needs. We are a key member of the South Yorkshire ICB where organisations across our region work collaboratively to improve healthcare.

We work with a diverse group of interested parties across the public and VCSE. This allows us to develop better relationships with other organisations who support people in Sheffield and fosters better collaborative working between us. We use these opportunities to promote the needs and interests of the people that we serve and to reduce some of the barriers that individuals can often experience in accessing the services that they need. We have been working with partners in the VCS to address inequalities in our services and develop improvements.

#### **1.4.1.3 Total income by commissioner**

SHSC provides a range of services for a number of commissioners. This chart shows the proportion of income received in 2023/24 by type of commissioner



## 1.5 Our vision, values and strategic aims

We developed our strategic direction with our staff, leadership groups, Joint Consultative Forum, Council of Governors, Board of Directors, partners and people who use services. We worked together to agree our strategic aims, described below along with our vision and values.

### ▶ Our vision

Improve the mental, physical and social wellbeing of the people in our communities.



### ▶ Our values

-  Working together for service users
-  Respect and kindness
-  Everyone counts
-  Commitment to quality
-  Improving lives

### ▶ Our aims

- Deliver outstanding care
- Create a great place to work
- Effective use of resources
- Ensure our services are inclusive



### 1.5.1 Delivering our strategic aims and priorities

Our vision is to improve the mental, physical and social wellbeing of the people in our communities. Everything we do aligns to the delivery of our vision, values and strategic aims.

At the heart of this is our Clinical and Social Care Strategy (2021-2026) which supports us to increase quality whilst reducing inequalities across Sheffield. The strategy was coproduced with extensive involvement from service users, carers, colleagues in SHSC and partners across Sheffield. Through this consultation we developed four key principles of the care we want to provide, which inform our approach across our services. Delivery of the strategy is supported by an implementation programme, which sits at the heart of our delivery plan, supported by clear and aligned enabling strategies.

We have a number of enabling strategies which support us to deliver our overarching strategy including those for service user and carer engagement and supporting and developing our staff through the People Plan (workforce) strategy. Our enabling strategies remain a key area of continued focus for us.

Our strategic direction describes how we will achieve our vision and sets out where we aim to be as an organisation by 2026 and what we need to do to get there, in an increasingly changing world and NHS environment.



## The Clinical and Social Care Strategy

### We will give care that is

- ▶ Person-Centred and Strengths-Based
- ▶ Trauma-Informed
- ▶ Evidence-Led
- ▶ Coproduced

### We will work with

- ▶ Primary Care
- ▶ The City
- ▶ The Wider System

### What are we going to do?

- ▶ Develop Care Models that promote recovery

### How will we do it?

- ▶ Design services to meet people's needs
- ▶ Develop Team SHSC

Our priorities encapsulate what we want to achieve during the year to support the implementation of our strategic aims. We review and update them each year. Our priorities for 2023-24 are outlined below.

Delivery of the Clinical and Social Care strategy has been divided into the following distinct workstreams:

- Person-centred and strengths-based care
- Trauma-informed approach

- Evidence-led care
- Coproduction to support delivery of the strategy
- Outcomes and Health inequalities

Through our approach we are striving to deliver care that:

- Improves the quality of life for people who use our services
- Considers people as individuals with individual needs and strengths
- Provides a shared purpose and goal to support the needs of Sheffield's people
- Delivers improved care pathways which provide better access to support and evidence-led treatments across all our services
- Improves satisfaction and outcomes from delivering care in line with the pillars of the strategy.

## 1.6 Challenges we face and opportunities for 2024/25

As we come to the end of 2023-24, we naturally turn our attention to the next year. Our strategic direction, Clinical and Social Care Strategy and our Operational Plan will be supported by clear implementation plans to support delivering our key priorities. We will do this by:

- Strengthening and development a systemic approach to innovation, QI and transformation
- Continuing to work towards delivering outstanding care by developing inclusive services and reducing waits
- Implementing our new model of care in learning disability services
- Continuing our community and primary care transformation
- Embedding new approaches in our community teams that wrap around the primary care networks
- Deliver Making the Trust' Great Place to Work priorities
- Implementing our new electronic patient record system (RIO) and
- Developing a sustainable approach to driving value improvement and efficiency.

Our priorities and plans take account of our key challenges, which are reflected below:

- **The systemic inequality that exists and harms people in our communities** will be exacerbated by the economic downturn and the longer-term effects of recovering from COVID-19. This will disproportionately affect the socially disadvantaged and people from ethnically diverse communities within Sheffield. We have an important role to play in helping Sheffield's recovery and we will monitor levels of need and resources required as we continue to work in partnership with communities and community leaders across Sheffield.

- **Demand for services is forecasted to increase** in the near to medium term as the socio-economic consequences of the last two to three years continue to impact on people's health across Sheffield. We have developed demand, capacity and workforce plans to respond, underpinned by a strong programme of work focused on quality improvement.
- **Financial constraints** will have an impact on our capacity to expand our workforce to extend services and to invest in our improvement priorities. There remains uncertainty over the new funding we can expect over the next period, and our efficiency requirements to support the delivery of our plans will be very challenging. We have worked closely with our partners and commissioners at Sheffield Place and the South Yorkshire Integrated Care System to agree the priorities in 2024/25 and beyond.
- **Our capital investment requirements are significant** and there will be real constraints on our ability to deliver the range of improvements to our inpatient estate, essential infrastructure upgrades, improvements to support sustainability and reduce our carbon footprint and deliver our digital modernisation programme. Our focus will be to ensure we are clear about how we will prioritise needs within our capital departmental expenditure limit over the next three years and to ensure we exploit opportunities to access any additional capital funding that becomes available.
- **It has been a very challenging two to three years** for the people who use our services, their carers and our staff. We must change and expand services to deliver on our strategy and the NHS Long Term Plan. We need to develop and expand our workforce with more and different roles, improve our succession planning and work closely with partner services to deliver integrated care.
- **Ensuring integrated care** for the people who use our services, and their carers has been a core feature of the way we deliver care. New arrangements have been introduced by Sheffield City Council for the future provision of social care support and assessment and care management. We need to ensure these arrangements support our staff to deliver accessible, timely and integrated care for the people of Sheffield, with minimum added bureaucracy for individuals and our staff, and alignment with our transformation plans for crisis and community mental health services.



## Our priorities and strategic aims (2023/24)

### Our priorities

- Deliver therapeutic environments
- Transform our community mental health and learning disability services
- Improve access to crisis care
- Improve access so people wait less and wait well
- Deliver our quality and safety objectives

- Live our values, improving experience and wellbeing
- Improve staff engagement and involvement

- Implement RIO safely and begin to bring benefits to the way we work
- Deliver our financial plan and efficiency programme by ensuring we deliver best value with every pound we spend

- Deliver our patient and carer race equality framework
- Work in partnership to address health inequalities
- Deliver our equality objectives

### Our approach to delivering our priorities

- We will ensure the care we deliver is trauma-informed, strengths-based, person-centred, and evidence-led
- We will deliver change through coproduction and quality improvement approaches
- We will focus on equality, inclusion and addressing health inequalities in all we do
- We will deliver our Green Plan commitments

### Our strategic aims

Deliver outstanding care



Create a great place to work



Effective use of resources



Ensure our services are inclusive



We have taken these forward through 2023/24 via the following areas which have supported us to address key challenges and opportunities outlined in the performance report as we move into the next financial year.

### Culture of high quality, sustainable care



## 1.7 How we provide our services

Some of our support is provided on a one-to-one basis, such as our community-based recovery services. Others, such as our Talking Therapies service (previously known as Improving Access to Psychological Therapies, or IAPT) offer a flexible package of support, which can be provided online or face-to-face either individually or on a group basis from a range of community centres across the city.

The sections below outline progress against our key strategic aims over the last year and areas of focus we are taking forward.

## **1.8 Performance Analysis of delivery of our strategic aims**

### **1.8.1 Our performance management framework**

The Board of Directors has a robust framework in place to assure itself, our Council of Governors and external regulators that our services are performing well, are high quality, that we are providing the best possible treatment and care to our service users and their carers within the resources available to us, and we are making good progress towards delivering our vision and implementing our strategies and plans.

The set of key performance indicators (KPIs) which comprise our Performance Framework is reviewed each year and takes into consideration changes in local, national, contractual and regulatory requirements. These are then presented to the Board committees for approval and can be varied in-year as required with the approval of the committees.

The Integrated Performance and Quality Report (IPQR) is provided to the Finance and Performance and the Quality Assurance Committees every month. It is also considered by the People Committee with a specific focus on people at its bi-monthly meetings. It is reported to the Trust Board for assurance together with a summary of the key messages, risks and exceptions, discussed at each respective committee.

We examine a range of indicators that are either set for us contractually by commissioners, or because we have set ourselves an ambition to achieve or improve the services we deliver. Where required the Trusts recovery plan process is instigated to understand why performance isn't delivering against expectation and ensure where possible performance is improved.

In 2023/24 we have increased Executive led performance reviews in response to our financial performance ranging from monthly to quarterly depending on performance.

## **1.9 Strategic aim: Deliver outstanding care**

### **1.9.1 Creating and developing a culture of improvement (change, continuous improvement and transformation)**

We continue to promote an organisational culture that is open, fair and transparent. This includes requirements to report unsafe acts, untoward incidents or near misses using our incident reporting process.

We endeavour to underpin all we do through the application of our values.

During 2023/24 we have made good progress against the SHSC Quality Strategy 2022-2026 having completed 25% of our agreed objectives by mid-point of year two

and successfully delivered three out of the four key milestones identified. Milestones achieved include:

- Robust Quality Improvement skills training programmes in place which offer a suite of options to ensure accessibility and suitability for all
- Collation of benchmarking data for inpatient areas against the Fundamental Standards of Care
- Embedding continuous improvement in recruitment, induction and Performance Development Review processes

Implementation of the SHSC Quality Management System is the remaining milestone set for 2023/24 and whilst we continue to progress this, our priority has been to successfully implement a new Electronic Patient Record system that will then enable us to ensure we have adequate capacity to support the development of service level quality dashboards.

Throughout the year we have continued to keep updated with the planned changes to the CQC assessment and regulation framework and considered the impact and changes needed at both an operational and strategic level.

We have accelerated progress against our implementation plan for the Patient Safety Incident Response framework (PSIRF) and were the first organisation in Sheffield to go live in November 2023.

We have made significant progress in developing our approach to innovation, continuous improvement and transformation during this year, all based on the principles of our Clinical and Social Care Strategy. During 2023/2024 we saw significant progress in all of these areas, demonstrated by various initiatives, programmes and projects at different levels including:

- **Introduction of a change and improvement framework:** This enables us to plan and govern change and improvements through an enabling and permissive framework and support a culture of continuous improvement where everyone can make improvements and drive change.
- **Involvement with national quality improvement (QI) programmes:** For example, the National Mental Health Act Quality Improvement programme launched in September 2023, and Forest Lodge, our low-secure inpatient unit, is one of the 15 teams actively participating in this nationwide programme.
- **Trust QI programmes:** The Trust's first QI collaborative programme launched in July 2023, and focuses on waiting lists and waiting well. SHSC has led the ICS STOMP Quality Improvement Project, supported by Health Foundation with the aim of reducing the unnecessary use of medication in people with Learning Disability which we know is a contributory factor in the reduced life expectancy of people with Learning Disability.
- **QI projects:** There are now approximately 60 QI projects registered across the Trust, reflecting a commitment to ongoing quality improvement initiatives.
- **Investing in QI capacity** to support delivery

Outcomes from the QI activity mentioned have been widely disseminated via various routes both internally and externally. This includes via conferences presentations.

For example, colleagues, including Experts by Experience, have delivered sessions at the Royal College of Psychiatry QI Conference and the International BMJ Quality Forum.

We will continue to deliver and commit to our strategic priorities in 2024/25 through well-structured QI plans which engage staff and service users and align with regional plans for building and enhancing QI capability. Improvement activity will continue to have a clear reporting framework, supported by executive and Board oversight.

Our strategic plans around QI will focus on key pillars:

- **Building improvement capability:** We will continue to provide QI training that is open to all. We will provide training as per our “dosing approach” outlined in our Quality Strategy. The dosing approach refers to providing different levels of training dependent on need, just as a dose of medicine would be adjusted dependent on need. This term was developed by Dr Robert Lloyd from the Institution of Healthcare Improvement in the United States and is used and adopted by many NHS organisations.
- **Making improvement visible:** Training numbers will continue to be collated and monitored through linking and integrating with the Electronic Staff Record as we build QI capability across the organisation. We will also continue to invest in celebrating improvements locally, nationally and internationally. This involves not only nominating QI projects for awards but also actively supporting the dissemination of QI work and achievements through participation at relevant conferences and forums fostering collaboration.
- **Ways of working:** We will continue to build and integrate QI approaches into the way we do things; this includes incorporating and embedding continuous improvement into inductions, professional development reviews and away days. By building QI approaches into our culture and ways of working, we encourage everyone to contribute to fostering collective responsibility for improving the care we provide, ensuring safe and effective care is delivered. For example, we are providing frontline staff opportunities to contribute to the improvement of the Trust’s key priorities, such as reducing waiting lists and supporting service users to wait well, through the Trust’s dedicated QI collaborative programme.
- **Information and insight driven decision making:** We will continue to support the effective use of information to underpin QI activity and monitoring. We will support those leading QI to triangulate insights from various sources including; service user and staff stories, feedback, performance and learning from improvement action already taken in our Trust and beyond.
- **Addressing inequalities for our service users and our staff:** We will use QI methodology to support the reduction of inequalities experienced by staff and service users. We will also focus more on equality, diversity and inclusion, making sure it will be reflected in the development of QI training offers and programmes and a golden thread through all we do.

- **Improvement through coproduction:** The QI team and the Engagement and Experience team will work collaboratively to strengthen our approach to improvement and development with clear patient-centred, coproduced approaches underpinning the work of each member of staff, our teams, and the Board of Directors. This includes co-designing QI training and programmes, and ensuring support and resources on coproduction are clearly available for those leading QI activity.

The Trust will continue to remain steadfast in its commitment to ensuring there are robust and visible systems for learning and continuous improvement. As more QI projects are registered, we are dedicated to reviewing the process and enhancing the support to ensure equitable access within available resources. We will also explore new ways of doing this better and learn from outstanding Trusts.

We will continue to commit and support our staff in sharing their learning and knowledge not only within the Trust but also beyond. This sharing of learning will provide the engagement of a broader audience with improvement, demonstrated through QI and patient safety conferences.

In 2024/25 we will continue to implement and embed more of our integrated change framework which will ensure that change is managed appropriately based on an assessment of the complexity, cost and risks associated with the change. It will encourage staff at every level to feel empowered to make smaller scale changes and improvements but also ensure that we deliver priority Trust-wide change programmes which are critical to the delivery of our strategic aims, led by resources with the appropriate knowledge, skills and experience to be successful.

Our transformation plans include strategic programmes that will support the delivery of our strategic aims with progress outlined under each of our strategic aims.

## **1.9.2 Progress we have made in delivering our priorities for improvement in our therapeutic environments**

### **1.9.2.1 Priority: Deliver therapeutic environments**

**Creating environments for excellence:** we are making good progress with our programme of work to improve the environment for service users and staff, for example the refurbishment of the Longley Centre; the wards at the Michael Carlisle Centre and introduction of a new safe and modern Health Based Place of Safety.



**Development of evidence-led clinical practice and a learning culture:** Our work to ensure changes we put in place are evidence-led is supported by our research and development teams and our Knowledge and Libraries Service which has been working on delivering several evidence-led initiatives including supply of evidence to SHSC teams, training for 171 staff and delivery of new journal clubs established to support staff to deliver care that is evidence-led.

There are several research, service evaluations and audit programmes underway to develop clinical practice and which have influenced our transformation programmes. Some examples of these are provided below:

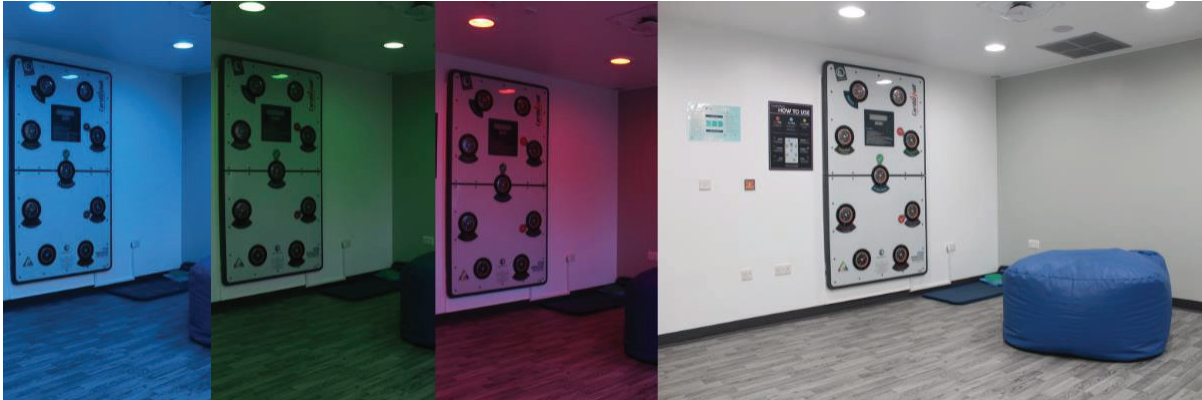
- **Developing trauma-informed care on the acute inpatient wards:** We have continued to develop a framework for embedding trauma-informed clinical practice in local clinical teams through trauma-informed training and outcomes/evaluation through a staff and service user questionnaire.

A self-harm/suicide intervention booklet is being trialled. The workbook is intended to guide staff and service users through three phases:

- Initial assessment and safety planning
  - Daily monitoring and planning
  - Relapse prevention/future planning to reduce self-harm on the ward.
- **Supporting service users in crisis to remain in the community:** Liaison Psychiatry staff are part of a multi-centre trial where our staff have been

trained to deliver psychologically-informed interventions using compassionate focused therapy for people who self-harm. This is supporting harm reduction programmes and reducing the need for hospital intervention.

- **Reducing restrictive practice:** Several initiatives have been delivered including ensuring all wards have a relaxation room and de-escalation space, with two of our three adult acute wards having successfully removed seclusion rooms from the wards and replaced them with use of safety pods. This is an example of the de-escalation space at Burbage Ward showing some of the sensory lighting options:



- The new **Health Based Place of Safety** (also known as the section 136 suite), opened to service users in January 2024. The new space provides a more modern, safe and comfortable environment for those using it. It was co-designed through engagement between experts by experience, our staff and the capital and therapeutic environments team.



- **Supporting service users and staff following incidents:** Data on incidents tells us that offering trauma informed care, using person-centred de-escalation techniques, providing safe spaces on the ward, and undertaking patient and

staff debriefs have supported quality improvement in clinical practice and prompted improvements in the experience of care across our inpatient wards.

- **Person-centred care:** The NHS Community Mental Health Teams Framework 2019 requires the replacement of the Care Programme Approach (CPA). Our person-centred Workstream has used this opportunity to coproduce a set of core principles to define a person-centred approach to care replacing the CPA. The principles have been achieved through a combination of reviewing the evidence base and receiving feedback through engagement workshops with staff and service users. We now have a clear process in place to deliver person-centred care across SHSC.
- To support the delivery of coproduced trauma-informed care we are employing **peer support workers** in clinical teams, ensuring service user involvement in training around de-escalation and compassionate leadership training.

### 1.9.2.2 Priority: Transform our community mental health and learning disability services

In line with the national direction our transformation plans have focused on changing the design of community mental health care. The aim has been to move away from siloed, hard-to-reach services towards joined up care and establishing a revitalised purpose and identity for community mental health services. This supports the development of Primary Care Networks and provides a renewed focus on personalised care and improving care for people with severe mental illnesses.

Alongside this we are transforming our learning disability service to provide more responsive, better quality and more coordinated care to people in the community. This transformation is intended to address the health-related needs of people who have a learning disability and cannot access mainstream mental health services with reasonable adjustments or require joint working with mainstream mental health services.

During 2023/24 our focus has been on developing and agreeing how we want our services to work, ensuring our plans are coproduced with the people who use our services and our staff.

- **Community Learning Disability Service expansion:** A new service model has been co-produced with our partners, service users and voluntary and community services and we have agreed that will deliver enhanced support and extended hours of operation. The plans are supported by 33 more whole time equivalent (wte) community staff and the permanent closure of the inpatient assessment and treatment facility at Firshill Rise which hasn't been in use since September 2021. Consultation with our staff has been completed and we will move to the new arrangements in early 2024/25.
- **Expanding the Primary and Community Mental Health Service:** By the end of April 2024 all 15 of the Primary Care Networks will have dedicated local mental health teams embedded within general practice. This development also sees the integration of our Single Point of Access and








Emotional Wellbeing Services within the expanded primary care service in 24/25.

- **An expanded adult Community Mental Health Team service:** The primary care mental health services described above are supported by an expanded and transformed community mental health services with primary and secondary care provision across Sheffield. The new service model has been agreed and focuses on improving access and outcomes. The current two teams, based at Northlands and East Glade, have been split into eight teams aligned geographically to the Primary Care Network teams across Sheffield. To support this we have appointed 12.4 more wte staff and the service will commence its new way of working in 2024/25.

### 1.9.2.3 Priority: Improve access to crisis care

#### Performance against key metrics

Our performance against key metrics is summarised below, followed by an overview of the progress made in delivering our priorities over the last year.

Delivering outstanding care	Target	2023/24 At March 2024	2022/23 At March 2023	
% of people who receive a mental health assessment within one hour in AandE	100%	51.1%	32.2%	
% of people who receive a mental health assessment within 24 hours on a general hospital ward (Liaison Psychiatry)	100%	73.2%	65.1%	
Delayed transfers of care: proportion of inpatients who experienced a delay in their discharge	0	134/539 24.9%	140/577 24.3%	
% of service users followed up within 72 hours of discharge	80%	87.9%	80.7%	
Inappropriate use of out of area beds (bed days used)	0	2996	4642	

Our focus has been on ensuring people in Sheffield are able to access comprehensive crisis pathways that are able to meet the needs of the individual and their preferences for accessing crisis care, whether it be in communities, people's homes, emergency departments, inpatient services or via transport by a dedicated mental health response vehicle.

Through 2023-24 we have made positive progress with some key highlights outlined below:

- **We have expanded the Liaison Mental Health Service:** - increasing staffing by an additional seven whole time equivalent posts. This has helped us deliver and improve upon the one-hour response standards in Accident and Emergency and 24-hour response standards across general hospital wards.
- **We have launched a new and improved crisis line service:** Following a successful procurement exercise we are working with Nottingham Community Housing Association (NCHA) to deliver the NHS111 mental health crisis helpline for people in Sheffield, which launches in April 2024. This is an exciting and important step in providing the people of Sheffield with access to a comprehensive, accessible and responsive helpline. We welcome the expertise and experience that NCHA will bring working alongside our crisis teams.
- **Introduction of a dedicated mental health response vehicle:** A dedicated ambulance service launched in November for people experiencing a mental health crisis. This is delivered by Yorkshire Ambulance Service and makes a positive addition to our ability to get the right support to people suffering a mental health crisis quickly because people can be rapidly diverted to our services, such as our Decisions Unit and the crisis line.
- **We have reduced the numbers of patients delayed in hospital:** During this year we have made significant progress in reducing the number of people subject to delayed discharge on our wards. We have achieved this through strengthening our partnership working with Sheffield City Council and South Yorkshire ICB. As an important priority for the City, that ensures parity of esteem with people delayed in acute hospitals, a joint city-wide Mental Health Discharge Programme Group has brought system leaders together to ensure our shared care system is working effectively to reduce delays experienced by patients and ensure they are able to access ongoing care in the community at the right time. We have established dedicated hospital social workers working into our mental health wards with a clear focus on ensuring timely access to community accommodation and support. Alongside this we have expanded the use of step-down services for people who are ready to leave hospital. We have seen real positive change and impact from this partnership approach, which increases on our capacity to respond to the needs of people who need an inpatient admission and reduces our reliance on out of area spot purchase bed use. As a city, we set targets up to October 2024 in the reduction of delayed discharges and we are ahead of this plan. Since the commencement of the joint Delayed Discharge Programme in September 2023, where approximately 30% of our adult and older beds were subject to delays, we have averaged a reduction of between 33% to 66 % in delayed discharges on a week by week basis.
- **We have reduced the number of people who have had their inpatient care outside of Sheffield:** In the previous year we needed to use 6919 days' worth of inpatient care in services outside of Sheffield to look after people who needed an inpatient stay to support them with their acute mental health care and treatment. This delivers poor experiences and outcomes for the

individuals concerned who are receiving inpatient care away from their family, friends and support networks. This is clearly a critical area of concern and we have prioritised steps to reduce this. It is one of the key reasons why we are delivering improvements to our inpatient estate (see earlier regarding therapeutic environments) and why we have focused on improving flow through our current inpatient beds (see above regarding reducing the numbers of people who experience a delay in being discharged). Our combined approaches are having an impact and through January to March 2024 the number of out of area bed days used reduced to 817. Compared to the previous year this represents a reduction of 57.3%.

- Overall we have had had a reduction in the number of beds lost to delays and out of area beds have reduced across the year

#### **1.9.2.4 Priority: Improve access so people wait less, and wait well**

Our performance against key metrics is summarised below, followed by an overview of the progress made in delivering our priorities over the last year. As we have progressed our improvement work, we have recognised that data quality can be variable. This impacts in several ways, particularly in our ability to understand inequality of access for different communities across Sheffield. We recognise we need to make improvements in this area and improving our data quality is one of our equality objectives for next year.

Demand for NHS mental health and specialist services continues to grow, which has led to the need for us to find new ways to help keep waiting times short for service users while also giving great care. The issue of long waiting lists has been a problem for both staff and service users, and the majority of complaints we receive are related to access to services.

We also have problems with people who do not attend their appointments in relation to mental health services. Research evidence shows that service users do not attend approximately 20% of psychiatric appointments and of those up to 50% do not complete their treatment or fail to continue to engage with services.

In response to these challenges, we have launched our first quality improvement collaborative which focuses on this critical area of reducing waiting lists and supporting service users to “wait well” whilst on these lists. The teams involved in this are:

- Eating Disorders Service
- Gender Identity Clinic
- Neurological Enablement Service
- Specialist Psychotherapy Service
- Memory Service
- Older Adult Community Mental Health Team
- Community Learning Disability Team
- Sheffield Community Brain Injury Rehabilitation Team
- Sheffield Adult Autism and Neurodevelopmental Service – ADHD

Our focus over the initial stages of the programme has been on ensuring effective engagement and supporting teams to feel that they are leading their improvement projects, and improving our data and how we understand and use it to take decisions.

Examples of the progress and improvements made through this QI initiative so far are:

- Introduction of emergency clinic appointments at our Learning Disability Physiotherapy service with the aim of ensuring urgent referrals are seen within four weeks.
- Increasing the number of group interventions for service users accessing our Sheffield Community Brain Injury Rehabilitation Team. This has meant more people can be seen and waiting times will reduce. As a result the number of people waiting for an initial assessment has reduced from 56 in October 2023 to 13 in February 2024.
- Introduction of an online support group in the Sheffield Eating Disorders Service and developing self-help resources sent out to service users.
- Development of a general information leaflet for the Memory Service, developed with service users, for people who are waiting for an assessment.
- We have worked hard to eradicate waits through our Single Point of Access (SPA) service reducing the waiting list from 1,000 two years ago to below 100 in March 2024; and have addressed key waits for support from our recovery teams.

Alongside these we have invested in, and expanded services to improve access for people across Sheffield through:

- The expansion of our Community Perinatal Mental Health Service: with 10.4 additional whole time equivalent (wte) staff joining the service and worked towards seeing 140 more mothers a year by March 2024. In doing so this will increase their caseload by circa 40%, and new pathways will be developed to provide support for fathers and partners.
- The expansion of our Liaison Mental Health Team: with seven additional wte staff recruited to help us deliver the one hour response standards in Accident and Emergency which has significantly improved in the last six months of the financial year, and improving 24-hour response standards across general hospital wards.

#### **1.9.2.5 Priority: Deliver our quality and safety objectives**




Our quality objectives were set in 2021 as a three-year plan. 2023/24 was our final year to achieve these objectives which build on the progress we had made in 2021/22 to get 'Back to Good', improve the quality of services we deliver and improve safety for service users, staff and communities more broadly. We reviewed our actions for the third year of achieving the overall objectives by:

- considering the findings from our Care Quality Commission (CQC) inspections;
- reviewing our performance against a range of quality indicators, both internally and across mental health networks;
- considering our broader vision and plans for service improvement;
- exploring with our Council of Governors their views about what was important to them;
- engaging with our staff and service users to understand their views about what was important and what they thought we needed to improve;
- engaging with our commissioners and other stakeholders to understand what their priorities for improvement were;
- considering the implications for us on the Use of Force Act and respecting people’s human rights.

Our quality objectives for 2023/24 were:

- Demonstrate a measurable and equitable reduction in the use of seclusion and restraint
- Demonstrate improvements in the number of people from diverse communities accessing community-based mental health services
- Embed co-production with service users and carers in how we deliver and govern clinical services.

**Quality objective one: Over a three-year period demonstrate a measurable and equitable reduction in the use of seclusion and restraint**

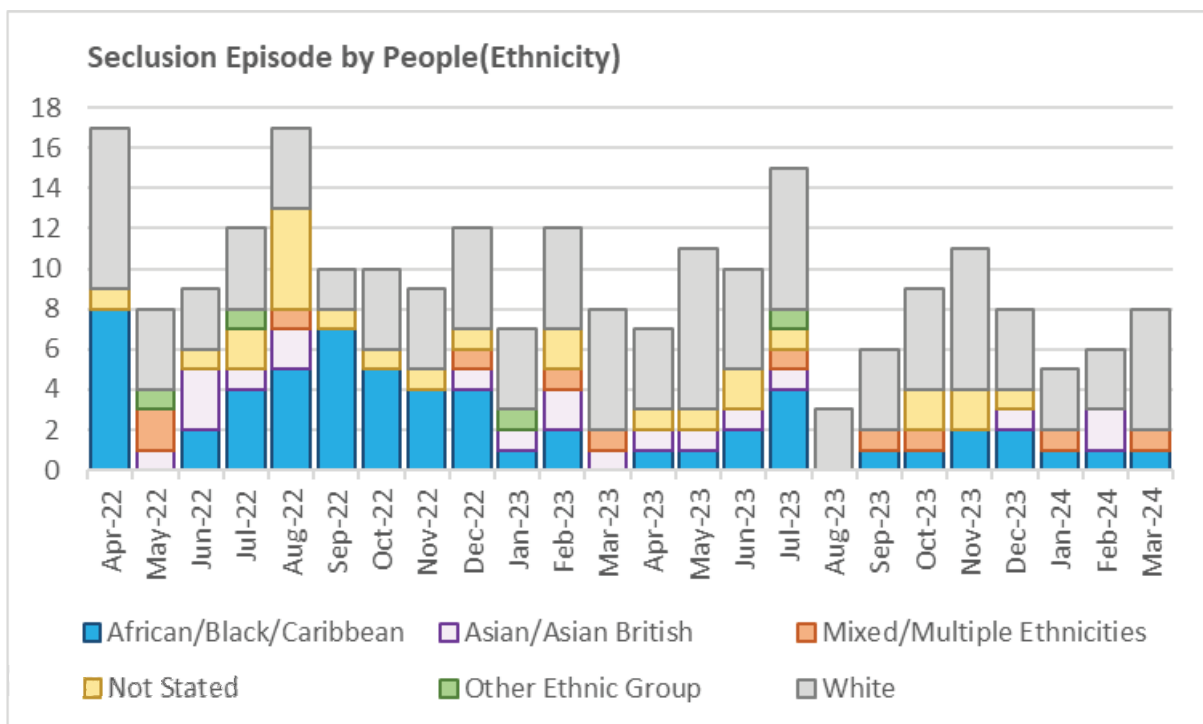
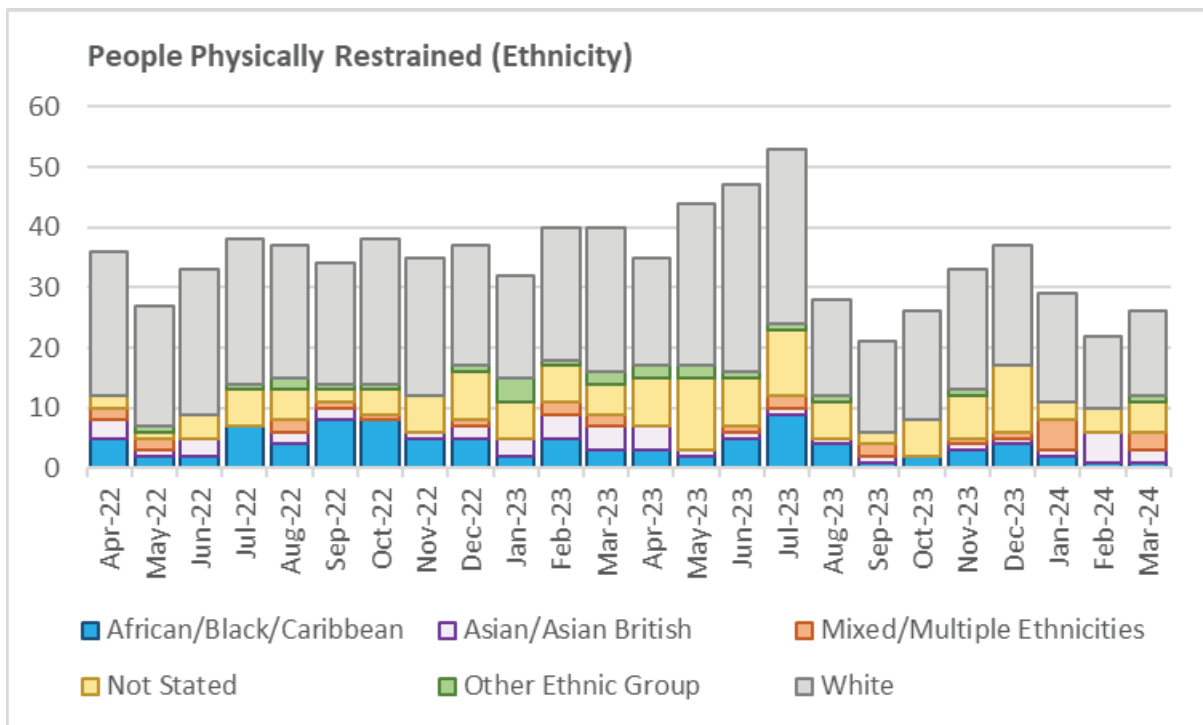
Year three - we said we would	How have we done?
Baseline ethnicity data for seclusion 22/23 to measure for reduction 23/24	
Baseline ethnicity data for seclusion 22/23 to measure for reduction 23/24	
Equity Lead (SACMHA) to commence inpatient liaison work with acute wards to reduce use of restrictions supporting post incident reviews for service users and staff post seclusion and prolonged restraint. 100% of reviews completed.	

**Outcomes:**

While the overall number of restrictive interventions has fluctuated since April 2021, improvements can be seen this year in the number of restraints and seclusion episodes for Black British/African/Caribbean people

- This year (2023/24), 37 people were restrained compared to 56 people the year prior (2022/23)

- This year (2023/24), 17 people had a seclusion episode compared to 42 people last year (2022/23).



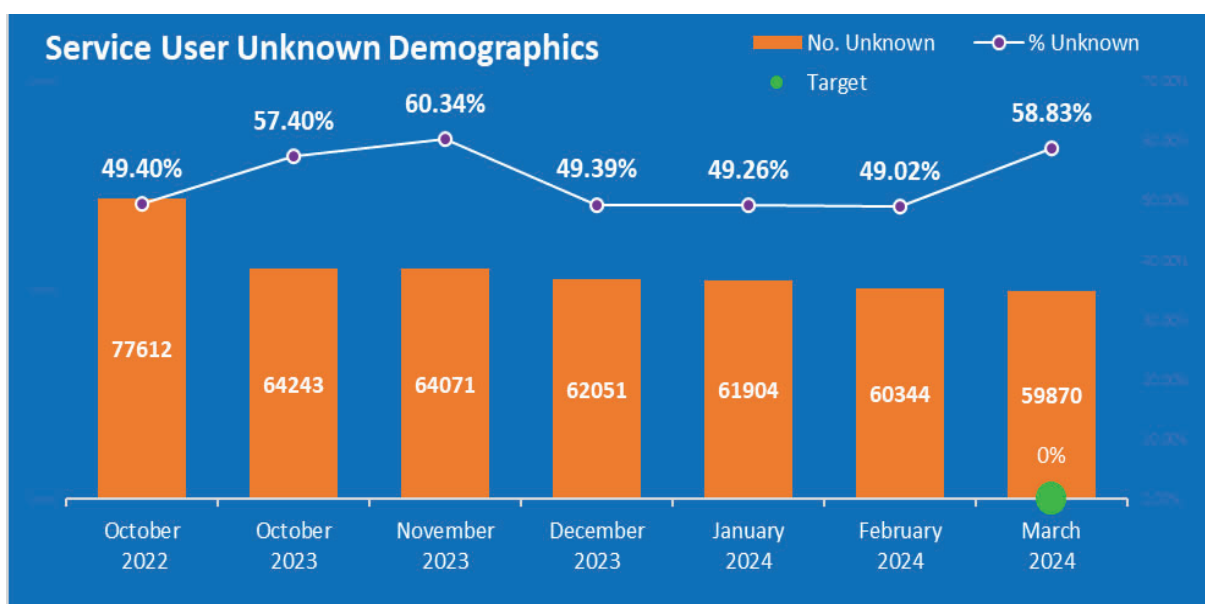
Our focus on the inequalities in ethnically diverse communities continues to be a major focus for us going forwards in 2024/25 and will report through our race equity work. Whilst it is no longer a specific Quality Objective, addressing inequalities remains a strategic objective for SHSC.

**Quality objective two: Over a three-year period demonstrate improvements in the number of people from diverse communities accessing community-based mental health services**

Year three - we said we would	How have we done?
Increase recording of ethnicity in the electronic patient record system (baselined 2022/23) through media campaign to diverse communities and staff to increase reporting of ethnicity.	❌
Recovery teams representatives to attend and engage in cultural leadership events in community settings/ race action group to promote use of community services.	✅
Work commencing to increase coworking in Patient Carer Race Equity Framework (PCREF) community engagement with Recovery teams May 2023.	✅
Monthly returns on access to community services by ethnicity to be included in Race equity dashboard for utilisation and reporting into Integrated Performance and Quality Report and Lived Experience Coproduction Assurance Group.	✅

**Outcomes:**




An ongoing challenge is the accurate recording of service users' ethnicity so that this data can be analysed in a meaningful way. To address this, we continue to develop our partnership working. We launched a series of videos to highlight the challenges and promote solutions in asking questions around ethnicity



**Going forwards:**

- We will continue to monitor and improve our data so we can understand who is accessing our services and during 2024/25 look at community development workers to further improve access to our community teams.
- A dashboard has been created and will be shared every 2 weeks through operational delivery teams

**Quality objective three: Over a three-year period we will embed co-production with service users and carers in how we deliver and govern clinical services**

Year three - we said we would	How have we done?
Develop and upload to Jarvis, resources and tools to support staff with good coproduction skills and knowledge	
Undertake a team deep dive each quarter to highlight good practice in coproduction and share via Lived Experience Coproduction Assurance Group and Directorate IPQR.	
Coproduction Best Practice Forums – commencing July 2023	

**Outcomes:**

- Triangle of care support workshops have been delivered to inpatient services, care homes and crisis services. we are going to continue delivering best practice workshops to staff, including this year on information sharing and confidentiality
- Using evidence collated from services and testimonies from carers and our carer led partners, SHSC is working towards obtaining their first-year membership with the Triangle of care through a peer assessment panel with Carers Trust.
- We have successfully recruited 39 volunteers/ experts by experience. The team continues to recruit.
- Sheffield Carers centre referrals and signposts from SHSC of carers not previously known during the year has shown a steady increase with 324 referrals received in 2023/24, reflective of improved partnership working and direct involvement with Health Liaison officer from Sheffield Carers centre.
- Friends and Family Test drive to increase responses by the end of March 2024 has seen an increase by 60%.

**Going Forwards:**

We are working on a renewed communications campaign with a weekly internal newsletter, a slide in the monthly information cascade and working with our communications team to improve visibility of the Friends and Family Test on the external website and working with our community partners to promote.















## Patient safety incident response framework (PSIRF)

Another key framework that has been implemented during the year is the patient safety incident response framework (PSIRF); this is the new national approach to responding and learning from incidents which replaces the previous serious incident framework. This new approach enables us to focus on key patient safety issues and develop broader patient safety improvement plans. [You can read more about our approach to PSIRF and our key patient safety improvement themes on our website.](#)

The Quality Account Report provides information on the progress we have made to improve outcomes for the three objectives specified, along with a broader overview and analysis of our performance in delivering quality and safe care.

For reference our performance against key metrics is summarised below, with a range of supporting information and commentary available in the Quality Account.

Delivering outstanding care		2023/24 At March 2024	2022/23 At March 2023	
Number of responses to the Friends and Family Test	Decreased Response Rate	621	1292	
% of responses replying positively about the service they received	Improvement	94.9%	92.2%	
Number of complaints	Decline in Complaints	142	147	
Total number of reported incidents	Increased	8909	8572	
% of incidents rated as major or above	Decreased	3.2%	4.4%	
Number of patient incidents where harm was caused	Decreased	2267	2314	
Number of falls	Decreased (Improvement)	579	658	
Reported assaults on service users	Increased	321	290	
Reported assaults on staff	Decreased (Improvement)	507	630	

Incidents of restraint*	Increased	1491	1313	
Incidents of seclusion	Decreased (Improvement)	156	183	
Unexpected deaths	Increased	328	319	

\*This year saw further work to reduce restrictive practices whilst also improving the recording of such interventions aligned to Use of Force Act legal requirements. It is of note that all holding utilised in older peoples services must be recorded, even if this is for personal care to support wellbeing and is part of a care planned approach with Best Interest decision making. Grenoside 1, our dementia assessment unit began capturing all clinical holding for personal care this year which has resulted in a rise from the previous year.

## 1.10 Strategic aim: Create a great place to work

### 1.10.1 The progress we have made in delivering our priorities for improvement around creating a great place to work

#### 1.10.1.1 Priority: Live our values, improving experience and wellbeing

##### Our values

We are proud that our values represent us, shape the care we offer and the experience our staff have of working at SHSC.

During 2023, we began important work to translate our **values into behaviour**. This collaborative work will continue during 2024 to co-create a set of behaviours with our staff that will transparently steer us on how we live our values every day. These behaviours will be used to promote our values-based culture to support us to attract, retain and develop our staff. We will also use them to celebrate and recognise where our people go above and beyond, or to challenge any behaviours which do not reflect our values in action.



We are continuing to build strong cultural foundations that embrace our differences, helping our people - service users, patients, carers, and staff - to live well and reduce inequalities. Our values and team engagement work continues to help us understand what matters to people and through this to shine a light on the purpose and importance of values-based team working across SHSC, and beyond with our partners, to deliver our Strategy and vision.

#### **1.10.1.2 Priority: Improving staff engagement and involvement**

##### **What we have heard from our staff and how we have responded**

###### **Staff Survey**

Our overarching focus following receipt of the results of the 2021/2022 annual staff survey was to improve 'advocacy' amongst our people in terms of how they feel about recommending us as a place to work and to receive care from.

In April 2023 we refreshed our People Strategy and plan, recognising the significance that advocacy has on our workforce and the care we provide.










We have strengthened involvement through a refreshed communication approach key examples included:

- A re-launched staff 'Shine Awards' recognising the contributions of our staff and teams
- A re-vamped and strengthened communications 'Cascade' and collective leadership forum providing monthly key messages to all staff from the Board of Directors and led by the Chief Executive to all teams, which has also provided improved connectivity with our six Staff Network Groups. Further detail on these is available in the staff report in section 2.14.4.

These improvements form part of the newly formed collective leadership approach that has been developed at pace since September 2023.

Information about progress made during 2023 on our staff survey results and our areas of focus is reported in the staff survey section in section 2.14.8. This describes the latest results from the national staff survey and our response to feedback received.

Our performance against key metrics is summarised below, followed by an overview of the progress made in delivering our priorities over the last year.

<b>Create a great place to work</b>	<b>Target</b>	<b>2023/24 At March 2024</b>	<b>2022/23 At March 2023</b>	
Proportion of staff recommending us as a place to work (staff survey)	Not set	52.0%	43.9%	
Proportion of staff who would recommend us as a place to receive care (staff survey)	Not set	47.9%	44.3%	
We are compassionate and inclusive	Not set	7.28/10	7.25/10	
Staff morale	Not set	5.83/10	5.60/10	
Motivation	Not set	6.75/10	6.68/10	
Safe and healthy	Not set	6.15/10	5.99/10	
Sickness absence	5.1%	5.5%	6.34%	
Vacancy rate	10%	7.2%	6.5%	
Staff turnover	12%	11.6%	15%	

During 2023-24 we have focused on ensuring the foundations are in place and on how we live our values on a day-to-day basis. This will continue to form a key area of our work through 2024-25. Information about this is described in section 1.6 of this report and covers improvements made to build compassionate and inclusive leadership capability and behaviours across our organisation.

During 2023-24 we have also focused on improving how we support our staff with their wellbeing, to improve wellbeing generally and reduce staff ill-health and sickness. To support this additional work has taken place on improving the focus and accessibility to our staff of the wide range of support services available. This includes physio-medical, occupational health, chaplaincy services, the QUIT smoking team,

and supporting our staff relating to financial security and flexible working. We have paid particular attention to our staff across Agenda for Change bands 2-5, who are some of our more junior staff. We also achieved accreditation as a Menopause Friendly employer.

Our approach to improving the availability and accessibility of support services to staff was strengthened through the appointment of a dedicated improvement lead.

### **1.10.2 Supporting equality and inclusion**

To achieve our aim to embed and drive inclusive practice and diversity across SHSC we have prioritised work on enabling reasonable adjustments to improve the experience of our disabled staff work. This work will continue into 2024. We have created opportunities for development through coaching and mentoring and celebrated diversity through conferences and internal events including our working together conference and through our Developing as Leaders programme. This includes compassionate and inclusive leadership as a key component. Including our planned cohorts for 2024 we will have had over 100 multidisciplinary leaders participate. We are continuing to address unacceptable behaviours and racism through dedicated support and a zero tolerance approach to hate crime.

Our staff networks are an intrinsic part of our inclusion agenda playing a key role for SHSC and across our system. Their contribution to policy development and improvement, involvement in our collective leadership group supporting delivery of our new communication cascade, and through engagement with our Board, positioning them as change agents with an active voice in helping to shape our culture and staff experience. Our first network groups conference took place in 2023 providing a showcase for the progressive work the staff networks are involved in, both as individual networks and collectively.

We will continue our focus on equality and inclusion into 2024, building on our work on disabled staff experience, creating increased career development opportunities for staff in underrepresented groups, and progressing work to bring our values to life through everyday behaviours to shape our culture.

### **1.10.3 Staff consultations**

The Trust has a Recognition Agreement which promotes active engagement and consultation with recognised staff side organisations on employee-related policies. Employee-related policies are developed and consulted through a joint policy group which consists of managers, human resources representatives and staff side organisations. All employment policies have an Equality Impact Assessment undertaken prior to agreement. This includes the impact on all employees with protected characteristics. The Trust reviews our partnership working arrangements on a regular basis and feedback from staff side representatives is positive. We are in the process of resetting our recognition agreement with our staff side and trade unions. During the last 12 months we have continued to build on our partnership working. There are six weekly Joint Consultative Forum (JCF) meetings and regular meetings with directorate management.

Staff side are represented on our staff Health and Wellbeing Group and regular communication takes place across the Trust to provide employees with information on matters of concern and interest to them.

In relation to our clinical services, we have undertaken formal consultations with staff including our **Community Mental Health Teams** – transformation of services.

**Primary Care Mental Health and Urgent and Crisis Service** – this change has impacted on staff in the Crisis Resolution, Home Treatment, Out of Hours Team, Single Point of Access (SPA), Emotional Wellbeing Service (EWS), Short Term Educational Programme (STEP) services.

**Temporary move of Maple Ward to Michael Carlisle Centre and reconfiguration of the wards at this location.** Temporary and permanent location moves including Assertive Outreach Team and Specialist Community Forensic Team from their existing bases to Distington House. And transfer of services to Sidney Street and Fitzwilliam Centre. The Implementation of 12-hour shifts on wards via voluntary option.

**Substance Misuse Services** and TUPE transfer of over 100 staff aligned to this service within SHSC to a private provider following a tender process led by Sheffield City Council. This transfer took place on 1 August 2023.

**Firshill Rise Assessment and Treatment Unit** – Following SHSC's implementation of a programme to redesign our learning disability clinical model, an output of this work was to review the inpatient bed requirements for people with a learning disability in Sheffield. The recommendation to explore this option was overseen by Sheffield Councils Overview and Scrutiny Committee who agreed a phased approach to identify option and next steps. The review was led by South Yorkshire Integrated Care Board (formerly Sheffield CCG). The outcome of the review, which was supported by Overview and Scrutiny, is to develop an enhanced community learning disability service and based on the need in Sheffield for inpatient admission, it was agreed to close Firshill Rise Assessment and Treatment Unit. It was also agreed that we will access independent sector beds as required. Following the outcome of this review, we commenced a formal consultation with effected staff at the unit, which concluded in 2023/24.

**Community Learning Disability Team** – At the end of 2023/24 we commenced a consultation with the current community learning disability team to develop an enhanced community offer following the closure of Firshill Rise Assessment and Treatment Unit.

**Buckwood View** – This service has now closed and staff consulted with under organisational change, redeployment and redundancy processes.

**Inpatient Band 2 Support workers** – A review of inpatient support worker job descriptions and associated banding was undertaken in 2023.

**Woodland View Nursing Home** – In 2023/24 we consulted with our nursing and health care support workers about working a 24-hour shift rotation to ensure all staff

have access to supervision and development, which will support the quality of care we provide at night.

**Emotional Wellbeing Service** – As part of the work undertaken in Sheffield to be a national pilot for the development of a Primary Care Mental Health model. Following the success of this programme we consulted with staff in 2023/2024 in the Emotional Wellbeing Service to integrate this offer with the Primary Care Mental Health Team operated by Primary Care Sheffield. The purpose is to provide a responsive care pathway to people requiring routine mental health care.

**Single Point of Access** – As part of the primary care mental health programme which has redesigned the routine mental health care pathway for Sheffield, we have designed a crisis and urgent care team to work across primary care networks. The new team will see urgent and crisis needs that cannot be managed safely by the primary care mental health team. A consultation was commenced the whole single point of access team concurrently with the Emotional Wellbeing Service.

#### 1.10.4 Leadership capacity and capability

We continue to invest in the development of our leaders and managers as a central element of our work on creating and nurturing a values-based culture that delivers outstanding care and to make this Trust a great place to work.

Priority areas in 2023, which we will continue to build on through 2024, include:

#### 1.10.5 Building compassionate and inclusive leadership capability across all directorates

- Our in-house 'Team SHSC: Developing as Leaders' programme continues to challenge and develop our leaders at a range of stages in their leadership journey. The focus is on building their compassionate and inclusive leadership capability and challenging them to deliver this every day and to keep improving their services. With over 87 individuals already having participated in the programme, cohort four commenced in January 2024. With a clear emphasis on supporting leaders to deliver our strategic aims through our values, we have a unique focus on person-centred, trauma-informed care and on all leaders, clinical and non-clinical. We are supporting them to understand what they and their teams do to deliver this.
- Our commitment to embedding restorative, just and learning approaches within our culture continues. We are building on the success of these approaches in our people management areas to expand into restorative supervision. Already a successful part of the nursing supervision offer, we have trained staff in this skill and are embedding this benefit across different staff groups.
- To encourage further understanding on inclusion and build diverse talent pipelines we are active in reciprocal mentoring. The South Yorkshire Integrated Care Board Reciprocal Mentoring Scheme supports learning partnerships between Black, Asian and Minority Ethnic Leaders aspiring to more senior roles and Senior Established leaders. We have 11 staff participating in this, established and emerging leaders, who will bring their

experiential learning back into our organisation to strengthen and inform culture. Our CEO has acted as the ICB System sponsor for this programme.

- Through our in-house coaching service, we have supported over 25 staff to benefit from coaching with a focus on developing their potential.

#### 1.10.6 Support our teams in these challenging times

- We have promoted the importance of our busy teams having time out to reflect, celebrate achievements and focus on how they can make improvements for the future. Across the organisation teams have spent time on building relationships and working together for improving care. Over 25 team away days and change projects were supported centrally by the Organisational Development (OD) Team, with many more teams working independently.
- We have extended our people resources and policies offer to include 'How to have Difficult Conversations' training for managers and will extend this core skill offer and more topics during 2024.
- A fourth cohort of leaders completed the Agile Mindset and Behaviours development programme. With a focus on how to effectively support transformational change in an agile, effective and timely way, we are creating a community of practice which will help leaders embed the benefits across SHSC.

#### 1.10.7 Working at systems level to get the best for our service users and staff

- We continue to champion teams to work across SHSC and to gain insights and learning from external offers. During this year we have supported staff to participate in a range of external development offers, including Leading Sheffield (six people), Mary Seacole (seven people) - NHS Leadership Academy and leadership apprenticeships.

#### 1.10.8 New roles and ways of working

We have put in place new approaches in the following service areas over the last year:

- Our Community Enhancing Recovery Team (CERT) have put in place a **more trauma-aware and informed** approach to providing safe environments, and building empowering and collaborative relationships through use of Quality Improvement (QI) methodology to implement improvements in care alongside training and supervision to shape and change practice.
- Our Liaison Psychiatry team is developing an approach to **strengths-based practice** which will link service users to projects in the community through the development of a specialist support worker role.
- Our Sheffield NHS Talking Therapies (formerly IAPT) service has developed an **ethnically diverse outreach team** to improve engagement and access to talking therapies linking with faith leaders and local Voluntary and Community Social Enterprise (VCSE) organisations.



- We have established a **Decisions Unit embedded Advanced Clinical Practitioner post**, funded by NHS England, working towards evidence-led, strengths-based, person-centred and trauma-informed ways to provide care.

### 1.10.9 Nursing - pre-registration training and new role developments

#### 1.10.9.1 Pre-registration mental health nursing

We are looking at a range of ways in which we can support people to enter the nursing profession including development of new opportunities for nurses such as the nurse associate roles. We also continue to support Pre-Registration Mental Health and Learning Disability students from the Sheffield Hallam University and as at 31 March 2024 the Trust had 31 mental health placements with a capacity to support 70 students and two Learning disability placements with a capacity to take four. This represents a reduction in capacity from previous years as this has been impacted by a high turnover of nursing staff in many of our placement areas.

All student nurses are supported by Practice Supervisors and a Practice Assessor. We are in the process of introducing a new training programme to prepare our Nursing and Allied Health Professional (AHP) workforce to act in these roles. This will make it easier for people to access the training they need and help in the maintenance and growth of placement capacity.

A member of the Placement Quality Team now meets each student within the first three weeks of their placement and in their discussions uses a semi-structured interview covering the quality standards governing the induction and orientation to placements. As a result, we are beginning to see increased student engagement with the team and have a richer understanding of their experiences in practice.

Most of the student nurses we support go on to start their preceptorship with us. In 2023-24 we have filled all band 5 vacancies with graduating students.

#### 1.10.9.2 Open University Registered Nurse Degree Apprenticeship (RNDA)

As at 31 March 2024 we had 19 apprentices on the Open University RNDA programme. All apprentices have been recruited internally and six are individuals who successfully completed their Nursing Associate training with us. During 2023 only one apprentice completed their training and started their preceptorship with the Trust.

A further nine RNDAs are due to qualify in the financial year 2024/5. Following an exercise which has based recruitment on planned completion numbers each year rather than on actual recruited numbers, this has led to an increase in Nursing Associate places and greater consistency of numbers qualifying each year.

Despite challenges across the placement circuit, our apprentices have all been able to achieve the number of clinical placement hours required to enable them to progress through their training.

#### 1.10.9.3 Trainee Nursing Associates

We continue to develop our 'grow your own' schemes including introducing a Level 2 NVQ apprenticeship in care for all Band 2 Non-Registered Nurses. This provides an opportunity to improve and harness skills and to promote the Trainee Nursing Associate programme (TNA). We have supported candidates interested in the TNA programme to undertake their functional skills/GCSE maths and English as this is a prerequisite for the programme, and additional academic skills sessions have also been provided. Despite the support provided, the numbers applying are very low with only two recruited in 2023/24 to ten available places.

Work has commenced to support and develop the role of Nursing Associates within the organisation to fully utilise this role within the inpatient wards. A scope of practice document has been produced utilising the work and learning from Devonshire Partnership NHS Trust in incorporating extended practice in medication, assessment, and the Mental Health Act.

#### **1.10.9.4 Senior Nurse Practitioners**

Inpatient mental health nurses need to be able to see a developing career in their own specialism – from the point of registration, through enhanced practice. To support this the Trust agreed to establish a band 7 clinical lead role, the senior nurse practitioner, within the 2022/23 clinical establishment review. This role was implemented in 2023 with the majority of the wards having recruited to the role. Now the roles are in place, the scope, role and responsibilities of the senior nurse practitioner require review to ensure they are meeting their intended purpose.

#### **1.10.9.5 Advanced Clinical Practitioners**

Advanced clinical practice opportunities are available within the trust in a number of community services, the scope of practice includes Nurse prescribing and case management. We also have a small number of Nurse Consultants who oversee pathways such as Autism, Crisis and Restrictive Practice.

Further investment of advance practice has been put in place in the form of the multi-professional consultant pathway (MPCP). This aims to develop consultants as system leaders and embedded researchers, exemplifying expert practice, delivering strategic and enabling leadership, opportunities for learning, developing, and improving across the system, as well as involvement in research and innovation. This is a bespoke training pathway that identifies, through a development needs analysis, a bespoke package of development for individuals who are experienced practitioners who hold either a MSc or have equivalent knowledge and skills. The Trust is currently supporting two nurse consultants to undertake the MPCP.

#### **1.10.10 Education, training and development**

##### **1.10.10.1 Mandatory training**

We have a small, dedicated training team which commissions and supports the delivery of core mandatory, clinical skills and specialist training for our staff to ensure that they meet the essential training requirements for their roles. Our aim is to ensure

we always have the staff with the rights skills at the right time to provide high quality, safe care for our service users.

In the last year we have continued to progress embedding enhanced technological ways of working, improving web-based programmes, and adding more programmes to our Electronic Staff Record (ESR) system to improve efficiency.

We have added four new subjects to the Trusts' mandatory training portfolio including Oliver McGowan, which is nationally standardised training for health and social care staff on learning disability and autism.

We continue to look for ways to change the way we deliver mandatory training to regularly engage with our staff in a way that helps them to do their job safely and effectively, live our values and feel well supported in their roles. This is supported by our Mandatory Training Governance Group which regularly reviews our approach to training and any new requirements.

Mandatory training is kept under continuous review at all levels in the organisation and supported through the introduction of Manager and Supervisor self-service on ESR which will enable review of data on a daily basis.

#### **1.10.11 Induction**

The monthly 'Welcome to Team SHSC' day for new starters has been revised and refreshed this year to ensure it provides an opportunity for our new staff to meet the Chair, Chief Executive and Executives Directors. The event is provided face-to-face and includes an outline of our values, strategy and priorities with an opportunity for open discussion on what this means for staff and a 'market place' for engaging with representatives from our services and corporate support teams.

New staff are able to learn about our staff network groups and staff benefits, Freedom to Speak Up processes, how to navigate our extranet, known as 'Jarvis', and how to access our learning platform on the Electronic Staff Record (ESR). New starters are booked on to the session automatically as part of the recruitment process. We will continue to review our approach to the welcome day in response to feedback during 2024/25.

#### **1.10.12 Medical Staffing, Education and Training**

We have started a Medical Recruitment and Engagement Group to look at the pull and push factors around recruiting and retaining all medical staff and developed a specific action plan in line with the SHSC Staff survey as it relates to doctors.

We have fully recruited into our trainee psychiatry posts at all levels and been commended for our work on supporting trainees with good results from surveys of experience from the GMC and have expanded our training offer in line with the expansion plans outlined in the NHS Long Term Plan.

We have significantly reduced the use of agency medical staff at all grades which will improve the quality of service to patients, as well as delivering increased training and

education capacity in our medical workforce and support reduction in expenditure with agency services.




We have supported a number of initiatives with our Specialist and Specialty psychiatrists, to support their development within the organisation, extending their skills and enabling their career progression and are fully compliant with the national NHSE specialist, associate specialist and speciality (SAS) Charter.

We have worked with the Faculty of Medical Leadership and Management with whom we are affiliated to continue to develop the leadership and management competencies of all our medical staff.

We continue to support workforce transformation outlined in the NHS Long Term plan, providing training placements for over 200 medical and physician associate students per year from University of Sheffield and Sheffield Hallam University

We have a range of professionals in “new roles” employed within the organisation and support the necessary training for these, including Physician Associates, Multiprofessional Approved Clinicians, Advanced Clinical Professionals and Multi professional Prescribers. We are co-leading a NIHR Research project with University of Sheffield looking at the implementation of New Roles in Mental Health.

### 1.10.13 Appraisal compliance

Appraisal compliance	Mar-22	Mar-23	Mar-24	
% Agenda for Change Staff Appraisal Rate (12 Month Rolling or year to date as report to Board)	81.72%	83.79%	81.24%	
% Medical Staff Appraisal Rate (12 Month Rolling or year to date as report to Board)	89.55%	84.91%	84.62%	
% Mandatory Training Completed (12 Month Rolling or year to date as report to Board) overall compliance	89.79%	87.35%	87.63%	

### 1.10.14 Occupational health

Our Occupational Health services have been provided by Sheffield Teaching Hospitals since the 1 January 2023; they provide a pre-employment screening service, vaccinations and management referral service.

Workplace Wellbeing is our own free, confidential staff counselling and consultation service, available to both individuals and groups of staff as well as bespoke stress resilience sessions for teams. We continue to provide access to the South Yorkshire Integrated Care System’s Psychological Wellbeing Hub which we have used to support our own capacity and demand.

Physiotherapy support - a free service for staff is available on a self-referral basis for up to six sessions. The service is a triage service with tele-health and referral for face-to-face sessions if required.

Health and wellbeing - we provide a dedicated page on our staff extranet (Jarvis) which helps direct staff to a range of useful local, regional and national resources and tools to assist with promoting a healthy and active lifestyle, including free access to the wellbeing apps and development opportunities and links to guidance available on a range of matters including finances.

Training and interventions - we provide specific training on key health related areas such as managing menopause, back care, manual handling, stress awareness and dealing with conflict. In 2023 we received accreditation as a Menopause friendly employer and have trained advocates in place.

## 1.11 Strategic aim: Effective use of resources

### 1.11.1 Our priorities for improvement around effective use of our resources

#### 1.11.1.1 Priority: Deliver our financial plan and efficiency programme

The financial plan agreed by the Board in May 2023 was to deliver a deficit of £3.267 million. This reflected the challenging financial position we were managing through the year. The challenges were driven by the continued need to balance and respond to demands on services, ensure that care delivered is safe and of the right quality, ensuring we have the right workforce plans in place so that the right staff are available to reduce the need for agency staff, managing the impact from a number of commissioning disinvestments in the Trust, and responding to general inflationary pressures and challenges experienced by the NHS locally and nationally.

Through the year our focus has been on ensuring safety is maintained for our patients and staff, ensuring sustainable recovery plans are delivered on a service-by-service basis and on controlling, managing and reducing all expenditure that doesn't demonstrate clear value and good use of public NHS funds. The full financial report is provided in section 4.0 of the annual report and key headlines are summarised below.





Through 2023-24 we have:

- **Increased investment in front line clinical services by £3.9 million:** this has supported the expansion of liaison, perinatal and community mental health services and met additional inpatient care costs. This is allowing us to deliver new models of community care that are focused on delivering better connections with local communities, improving access and reducing waiting times.
- **Invested £11.193 million of capital funds to support improvements across our estate and digital services:** this has enabled the therapeutic environment improvements and RIO (electronic patient record) programme to progress along with several other key improvements to our estate and facilities. Our capital plan for the year was to invest £12.791 million in total through the year based on an expected capital receipt of £4 million in 2023-24

from the first phase of the sale of excess Trust estate. This did not progress in line with the expected timescale which resulted in a need to defer into next year planned capital schemes to upgrade equipment and infrastructure across our estate.

- Achieved £4.8m in value improvement efficiencies which have supported us in improving quality of care:** this has mainly been achieved through delivering more care locally and reducing the amount of out of area inpatient care needed (reducing costs by £0.9m) and by reducing our staff vacancy rates so that we used fewer agency staff (reducing costs by £1.5m), along with several other efficiency plans. While £4.8m in efficiencies have been achieved through the year, this was below our plan to deliver efficiencies of £5.7 million. This was managed in-year through temporary cost reduction schemes while full recurrent plans are put in place as we move into the 2024/25 year.
- Our financial position at the end of the year was a deficit of -£4.9 million:** The main pressures behind this position are staffing costs over establishment, Out of Area bed admissions and inflationary pressures. Our savings plans for 2024/25 have a focus on rostering efficiency where we need to ensure we are managing resource effectively within establishment and minimise the additional use of staff, and to continue the improvements in Out of Area bed usage.

Our performance against key metrics is summarised below, followed by an overview of the progress made in delivering our priorities over the last year:

<b>Effective use of resources</b>	<b>Target</b>	<b>2023/24</b>	<b>2022/23</b>	
Values in £000s		<b>At March 2024</b>	<b>At March 2023</b>	
Surplus/(Deficit)	(3,262)	(4,932)	(1,405)	
Agency spend	6,479	6,893	8,963	
Cash	47,405	38,963	53,700	
Capital expenditure	12,791	11,193	12,011	

### 1.11.1.2 Priority: Implement Rio safely

Our plan in 2023/24 was to implement a new electronic patient record. This will replace our current Insight system with an electronic patient record called Rio. This change will provide clinical and non-clinical teams with improved access to patient information, making it easier for staff to access the right information at the right time. The solution will also operate beyond SHSC by integrating with other local, regional,

and national systems. This will help to improve service user safety by providing a more accurate view of every service user and the care provided to them.

We have taken a phased approach to launching Rio across Observing our Older Adult Mental Health Services in October 2023. This has been followed by a period of review and stabilisation to ensure the new system is safe and working effectively and as required before we extend it to the rest of our services. We have focused on stabilising implementation in our older adults services in 2023, including carrying out an independent review to inform the next phase of implementation. Following the review, we have strengthened the capacity and capability of the Rio implementation programme team, and the Trust's permanent digital team to support a more sustainable approach to implementing the new EPR system and an approach that we can continue to build on to develop a digitally mature organisation over the coming years. We have also commenced the implementation of revised plans so that we ensure the learning from the initial launch has been addressed and RIO can be extended to the rest of our services during 2024/25.

Alongside the EPR implementation we have started our data warehouse project, a key part of ensuring we can maximise the benefits of the EPR implementation and improve our digital capabilities to provide timely and accurate data to services. We have integrated this key project into the EPR programme.

The EPR and data warehouse projects are a key part of our digital strategy, where our focus is on improving the foundations of our infrastructure. This aligns with national and local digital initiatives including, the 'what good looks like framework', the NHS England digital maturity assessment and the requirements of the and The National Cyber Security Centre, Cyber Assurance Framework (CAF).

## 1.12 Strategic aim: Ensure inclusive services

### 1.12.1 Our priorities for improvement around ensuring our services are inclusive

We have progressed our plans for addressing inequalities in access, experience, and outcomes in the care we provide. The aim is to make care fairer, bridging the gap of inequalities as aligned to the NHS Long Term Plan priorities. The focus of our plans has been on strengthening our approach using the Patient and Carer Race Equality Framework and creating a diverse and representative workforce which is equipped with the capabilities to achieve change (which is described in section 2.14.3 of this report) This is an area that we will continue to focus on in 2024/25.

#### 1.12.1.1 Priority: Patient and Carer Race Equality Framework (PCREF)

This national framework supports us on our journey to becoming an actively anti-racist organisation by ensuring we are coproducing and implementing concrete actions to reduce racial inequalities within our services. Our improvement work has focused on three main areas:

- **Leadership and governance:** our plan to deliver improvements through the Patient and Carer Race Equality Framework (PCREF) were developed through coproduction.

- **Ensuring good data:** we have developed our reporting data to ensure we are in a better position to plan for and take the right decisions about improvement actions and to monitor the impact our actions have. We have more work to do next year to develop how we understand inequalities across our services and the focus through 2023/24 has been on improving the information we collect on ethnicity in all our core data sets.
- **Underpinned by effective engagement and feedback mechanisms:** we have strengthened ways for patients and carers to feedback on their experiences. With service users and carers we have reviewed a number of options and have procured and launched a digital platform, 'Safe2Share', that provides anonymous feedback to services.

An essential focus of our leadership and governance approach has been on ensuring we do coproduction well, so that individuals and communities are at the heart of the design and implementation of the services they need. We have strengthened our approach in several key areas:

- **'Let's talk about race' partnership:** We have held positive engagement events through the year helping us to work alongside our communities to tackle health in equalities.
- **Race Action Group launched:** This new group was established with membership drawn from the top five ethnically diverse communities using our services in Sheffield.
- **Quality Improvement Programme:** We are one of twelve mental health trusts nationally on the national programme focused on delivering reforms to the Mental Health Act. It has a clear focus on addressing use in over-represented groups due to race, learning disability and autism. Forest Lodge secure inpatient service is leading this work and ensuring learning is shared across services.

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

There is a broad range of measures in place to enable us to effectively engage and work in coproduction with people who use our services, broader members of the public, staff and stakeholders. Primarily these are:

- The Council of Governors
- Engagement with our membership
- Quality Improvement projects which require engagement with people with lived experience, often supported by the engagement team:
- Cultural Advocacy with the Pakistani Muslim Centre on our inpatient wards
- Engagement contact for anyone placed out of area
- Post incident reviews for inpatients with the Race Equity Officer from Sheffield African Caribbean Mental Health Association
- Engagement events with ReThink
- Peer Support Worker roles and connections across communities
- Let's Talk about Race events with communities in Sheffield
- Formal consultations on service reconfigurations and change when required
- Quality of Experience questionnaire for inpatient services



- Friends and Family Test
- Carers Open Door Forum
- Service User Network Group
- Lived Experience and Coproduction Assurance Group
- Work through and with Sheffield Flourish
- Partnerships through Patient and Carer Race Equity Framework
- Engagement with Advocacy and Peer Led Groups
- Our involvement in the South Yorkshire and Bassetlaw Integrated Care System
- Our partnerships with commissioners
- Membership and participation in local partnership boards
- Membership and participation in local safeguarding boards
- Engagement with Healthwatch Sheffield
- Staff network groups
- Annual Members Meeting

### 1.12.3 Priority: Work in partnership to address health inequalities

During 2023/24 the Trust has continued to increase its focus on tackling inequalities. We have recruited to a dedicated senior health inequalities role and we have also benefitted from hosting a public health registrar. Both these roles have convened and championed the tackling of health inequalities in all that we do. Early successes include establishing a clear health inequalities outcomes focus within our Clinical and Social Care Strategy programme, developing population health reporting for older people and for people with a learning disability, and launching a communication plan to promote and raise awareness across SHSC.

In addition, we have strengthened the breadth and diversity of our team of peer workers who bring insight and advocacy to the work of in patient wards, supporting inclusion and belonging for all service users. Next year we are looking to establish peer workers within our inpatient services.

Alongside our peer worker colleagues employed by the Trust, our partnerships with local voluntary and community sector organisations have enabled us to strengthen cultural understanding and personalised care, and to provide a bridge between under-served communities and the services provided by the Trust. For example, the Pakistani Muslim Centre and SACMHA have both male and female advocates regularly attending our wards and supporting service users and staff.

During 2023/24 the Trust has worked in partnership with VCSE organisations and with peer workers embedded in services to run a campaign encouraging colleagues to ask and record service users about their personal characteristics, with a focus on this enabling personalised care. For example, videos and on-line content: [Patient and Carer Race Equality Framework - introduction \(youtube.com\)](#).







Through our participation in formal place-based partnership arrangements such as the Sheffield Health and Care Partnership, and the Health and Wellbeing Board, the Trust has continued to advocate for the needs of people with learning disabilities, people with autism and people who experience mental ill health, as we know that

many people in these categories experience unnecessary health inequalities compared to the wider population.

Through the Sheffield Health and Care Partnership we have also continued to join up care at a neighbourhood level, with Primary Care Sheffield, with social care, and with the voluntary and community sector. This enables service delivery to be adapted to reflect the differing needs of each local community. It also supports commissioners to take a universally proportionate approach to the distribution of resources, so that additional resource is targeted at greatest need.

#### 1.12.4 Improve access so people wait less, and wait well

Our performance against key metrics is summarised below, followed by an overview of the progress made in delivering our priorities over the last year.

Delivering outstanding care	Target	2023/24 At March 2024	2022/23 At March 2023	
Talking Therapies: proportion of people who started treatment within four weeks of referral	75%	98.75%	98.9%	
Talking Therapies: proportion of people moved to recovery following treatment	50%	52.4%	51.5%	
Early Intervention in Psychosis: proportion of people who start treatment within two weeks of referral	95% (23/24 target)	92.9%	76.7%	
Eating Disorders: proportion of urgent cases who access NICE concordant treatment within one week	No target	1/2 50%	8/13 62%	
Increase the number of mothers who receive specialist perinatal mental health support. Perinatal target 4.5% (of Sheffield 2016 ONS Birth Rate)	294 4.5%	400 6.1%	396 6.1%	
% of people who receive a mental health assessment within 24 hours on a general hospital ward (Liaison Psychiatry)	100%	73.2%	65.1%	

#### 1.12.5 Social, community and human rights

We are the first NHS Trust in the country to have appointed a permanent full-time Human Rights Officer (HRO) to deliver a strategy of 'Embedding human rights into our day-to-day practice' which is a component part of the Trust's 2023-2026 strategic

vision. This makes SHSC unique in England for the prominence and emphasis it places on human rights as part of mental health care, fulfilling and going beyond the public sector duty the Human Rights Act 1998 requires. By establishing human rights as a key element of Trust-wide culture SHSC is better able to support the wellbeing and dignity of our service users.

The HRO is a resource available to staff across our services, providing guidance on the operation of the Human Rights Act in day-to-day patient care, Trust governance, and policy development and review.

## **1.13 Sustainability Report and Task force on climate-related financial disclosures (TCFD)**

### **1.13.1 Embedding sustainability; understanding challenges and seeking opportunities**

As part of sustainability annual reporting requirements for NHS bodies introducing a phased approach to incorporating TCFD recommended disclosures, this disclosure incorporates disclosure requirements under the governance, metrics and targets and risk pillars of the TCFD recommendations. SHSC will continue to assess and disclose our governance, strategy, risk management and metrics and targets related to climate change aligning ourselves to future phases of TCFD required disclosures.

Within our Green Plan, a three-year sustainability strategy, we outline our ambitious commitments to meet and exceed National Greener NHS targets for the emissions we control directly to be net zero by 2030, aligning with partner organisations across the city. Our strategic priorities for 2023/24 have included continuing to create opportunities to engage and educate the SHSC workforce on what sustainable development means to SHSC, aligning with wider SHSC enabling strategies to ensure accelerated efforts to support the SHSC Trust vision. Building a greater understanding of the impacts of climate change on the organisation, on our communities and promoting the health and wellbeing benefits of transitioning to net zero. NHS England became the first health system to embed net zero into legislation, through the Health and Care Act 2022. The 'Delivering a Net Zero National Health Service report' is now issued as statutory guidance, meaning all NHS Trusts in England must be able to evidence they are contributing towards meeting statutory emissions and environmental targets.

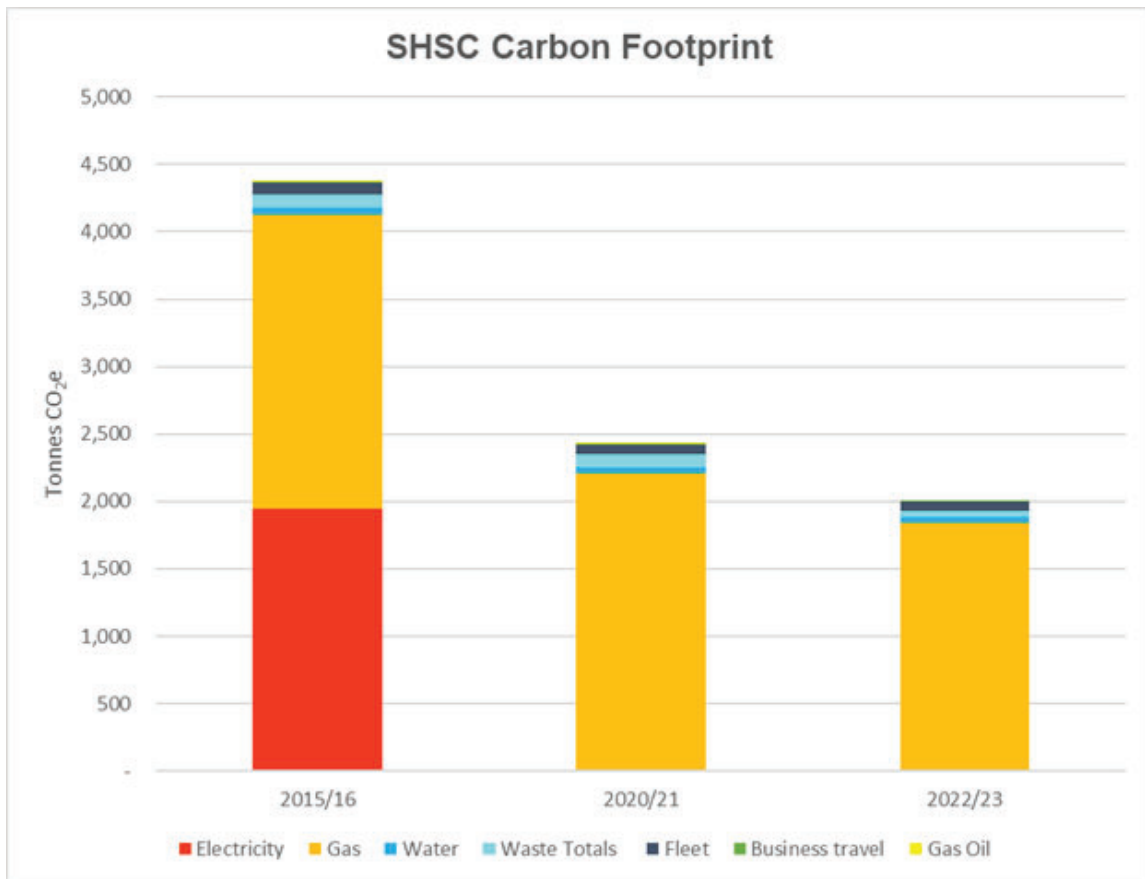
The Green Plan has provided SHSC with a strategic framework to deliver sustainable healthcare, protect the environment, reduce inequalities and improve the health and wellbeing of our communities. In 2023 we have continued to develop and progress actions within the Green Plan Action Plan (GPAP) endeavouring to ensure sustainability is embedded into everything we do. We continue to build knowledge in this field, harness data to inform decision making and develop a narrative to enable inclusive and equitable change. Achieving the ambitions of the SHSC Green plan is possible but only if every member of the SHSC workforce and our partners work together recognising the importance of sustainability as core to quality healthcare.

The challenge to transition to net zero and adapt to current or predicted impacts of climate change will be complex and both cultural and systemic change will be required within the organisation and across the ICS. We have been nurturing opportunities to work collaboratively at regional or Place level to share learning and amplify actions. For instance, we are members of the South Yorkshire ICS Sustainability Group and the Sheffield Climate Co-ordination Partnership. However, we acknowledge that the pace of change has been slower than anticipated and more work is required to improve how we identify and manage climate risks, how we measure the financial impacts of climate mitigation and adaptation and increase the visibility of the Green Plan within the organisation.

### **1.13.2 Our carbon footprint**

An urgent and rapid response is required to reduce SHSC's carbon footprint to net zero by 2030. We are focusing efforts to ensure we are transparent and credible in our approach to transform how we provide services, consume, dispose and travel as an organisation. Our priority over the past year has been to build our knowledge and data collection where we are accountable for emissions and identify where we need to take action to make direct changes and influence behaviours or decision making. This includes developing a Sustainable Buildings action plan and estate decarbonisation plan. (See section 1.13.4.2 below)

The graph below demonstrates progress on our carbon footprint in comparison to our 2015/16 baseline and 2021/22 footprint. We are encouraged to see there has been a reduction in our gas consumption which makes up approximately 91% of our carbon footprint. Nevertheless, we must not be complacent as this could have been largely influenced by a mild winter. The proposed next step is to scrutinise our consumption data and utilise the advancements in our Building Management System Controls (See section 3.9.4 below) to target areas of the estate where efficiencies can be made, alongside a review of where our heating systems can be decarbonised.



tCO2e	2020/21 (Baseline)	2023/24	% Change (2020/21 vs 2023/24)	
Grid Electricity*	-	-	0%	↔
Natural Gas	2,211	1,623	-27%	↓
Gas Oil	0.4	-	-100%	↓
Water	43	44	8%	↑
Waste	90	60	-34%	↓
Fleet	78	49	-37%	↓
Business travel	6	12	111%	↓
Total	2,428	1,787	-26%	↓

*\*Grid Electricity; Aligning to Department for Business, Energy and Industrial Strategy (BEIS) best practice of stating electricity emissions if we had not purchased a REGO electricity tariff, our equivalent emissions for 2324 for electricity is 510 tCO2e. This is*

*a reduction of 18% in our electricity emissions compared to 620 tCO<sub>2</sub>e consumed within 2020/21 baseline year.*

### **1.13.3 The Green Plan: progress update**

#### **1.13.3.1 Leadership and Governance**

Integration of sustainable development into SHSC's core Governance structure including ensuring Board oversight of climate-related risks and opportunities continues. The Sustainable Development Group, chaired by Phillip Easthope, Executive Director of Finance, and Board of Directors net zero lead for the organisation, was established in 2022/23. The group reports into the Finance and Performance Committee on a quarterly basis and membership includes representation from across all directorates, providing a workstream lead for the nine areas of focus identified within the Green Plan:

- Estates and facilities
- Digital transformation
- Adaptation
- Medicines
- Food and nutrition
- Supply chain and procurement
- Travel and transport
- Workforce and system leadership
- Sustainable models of care.

Delivering the interventions to support a just transition (*i.e. recognising the need to transition in a way that is fair and leaves no one behind*) to net zero in the travel and transport, Sustainable Models of Care and Adaptation Green Plan focus areas will require collaboration at an organisation and potentially system level. To support collaboration and strengthen the governance structure delivering on our strategic objectives, focused delivery groups have been established and are reporting progress into the Sustainable Development Group with onward reporting to Finance and Performance Committee on progress. These working groups have increased opportunities to evidence and provide assurance of both staff and service user engagement with the ongoing work to renew the Green plan and defining approaches to delivery.

#### **1.13.3.2 Climate Change Risk Management**

In preparation for future TCFD reporting requirements, we need to ensure we are in a position to disclose and provide transparency on the double materiality of climate risk in terms of the impact on the organisation and the impact of our activities on the environment and our communities. Insights from exercises to identify climate related risks and opportunities can then be used to inform strategic decision making and future financial planning.

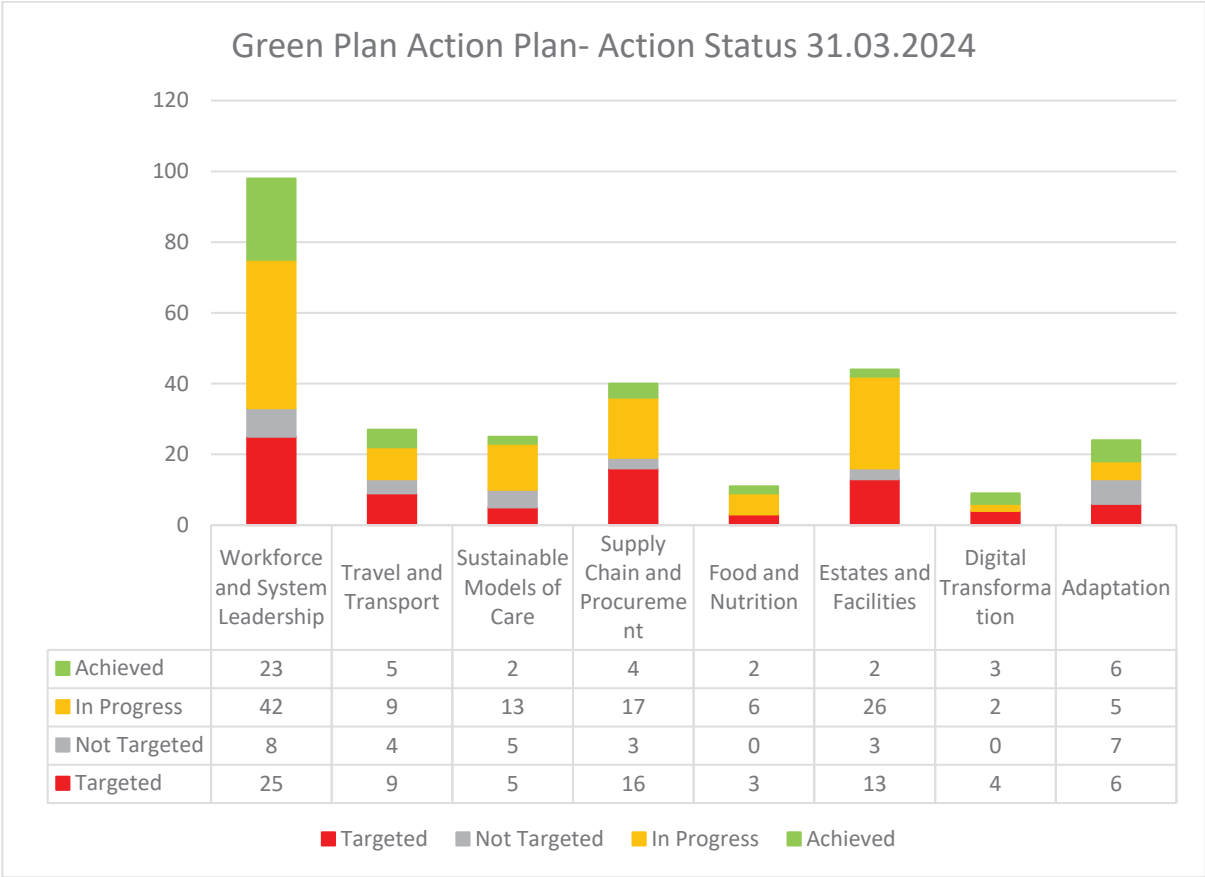
In 2023/24 a Board Assurance Framework (BAF) risk was added detailing the risk of failing to maintain and deliver on the SHSC Green Plan, ensure Trust resilience to climate change and provide a safe environment for staff and service users, in line

with statutory duties, national targets, the NHS Long Term Plan and ‘For a Greener NHS’ ambitions.

This risk will be used to monitor the levels of assurance received at Board of Directors and in assurance committees regarding how the plans are being effectively managed, that the controls in place are effective and to advise on gaps in controls and associated actions required. The outcome of this will further embed our obligations to meet the ambitions of our green plan and manage our responsibilities to adapt to climate change into SHSC governance structures. This is supported by the fact all the Board of Directors and assurance committee reports are required to demonstrate links with the BAF and detail on key risks and how these are being managed.

**1.13.3.3 Green Plan action plan progress 2023/24**

Each workstream lead is assigned actions within the Green Plan Action Plan. The table below demonstrates our progress completing targeted actions and areas that are in progress and will require focus over the next two years. Work will also continue to rationalise the plan to consolidate the number of actions, aligning to wider SHSC enabling strategies.



**1.13.4 Our Progress, highlights of achievements 2023 2024**

**1.13.4.1 Travel and Transport: Making cycling Easier and Sheffield Cycling Operations Group**

SHSC was included in the 'Making cycling e-asier' scheme offering free skills and confidence sessions and e-cycle loans to encourage people to consider e-cycles as an active travel option for everyday journeys. Funded by the Department for Transport and facilitated by Cycling UK, SHSC worked with the other Sheffield Trusts, the South Yorkshire ICB to provide an active travel scheme running from May 2023 to June 2024 to allow NHS staff to try electric bikes for a month, accessing these from an NHS Sheffield e-cycling hub.

Our Trust Sustainability Lead has become a member of the Sheffield Cycling Operations Group. Hosted by Sheffield City Council and with a membership including representatives from British Cycling, South Yorkshire Mayoral Combined Authority, Sustrans and many local cycling providers. The aim of the group is to create opportunities for all involved in Sheffield-based cycling to come together, share updates, encourage collaborative working, and align goals, to ensure as a cycling network, we are working in the best possible way, and to identify what support may be needed going forwards.

#### **1.13.4.2 Estates and facilities: Sustainable buildings action plan and estates decarbonisation plan**

Early in 2023, the Estates and Facilities Directorate commissioned a consultancy to support SHSC to develop a strategy to reduce emissions from the SHSC Estate. A recommendation report was produced and the below deliverables received:

- Baseline assessment report summarising energy performance across the estate on a building-by-building basis, including identification of specific outliers and early considerations for estate rationalisation
- Analytics dashboards to allow ongoing interrogation of energy performance by SHSC
- Carbon account methodology and future proofing report summarising methodology review and recommendations and subsequent workshop to review finding with key stakeholders at the Trust
- Estate decarbonisation plan and recommended programme for short-term decarbonisation activities.

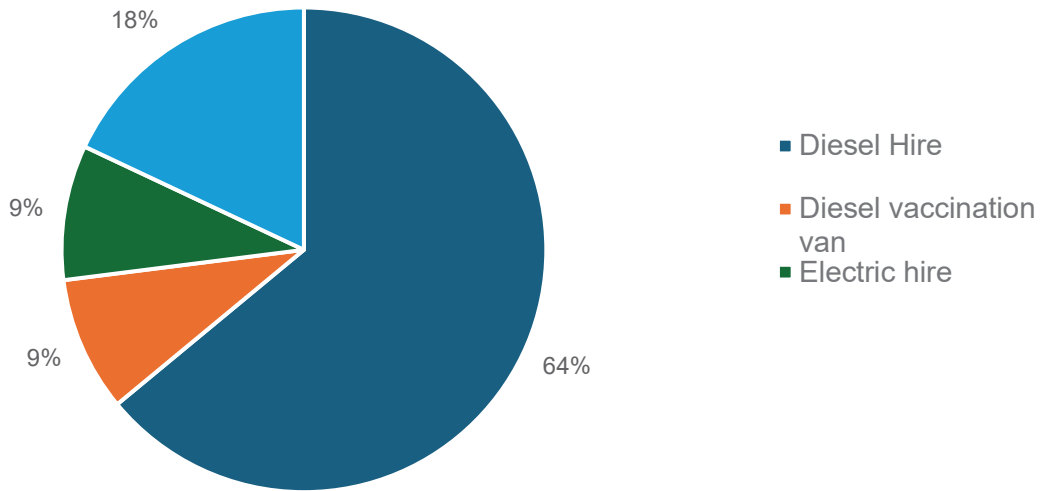
#### **1.13.4.3 Decarbonisation of our fleet vehicles**

We continue to build on our commitments to decarbonise our fleet activity. In 2020/21 the entire SHSC fleet provision was diesel vehicles. As of December 2023 81% of the SHSC-owned fleet vehicles had moved to electric or ultra low emission.

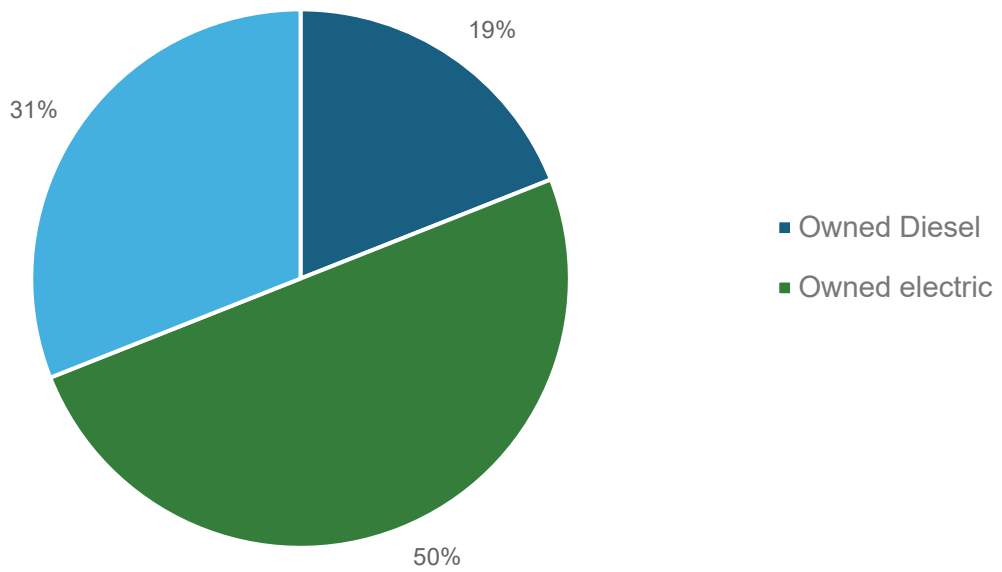
This is a significant step towards SHSC meeting our 2030 net zero emissions targets and puts SHSC on track to meet the strategic milestone outlined in the NHS Net Zero Travel and Transport Strategy.

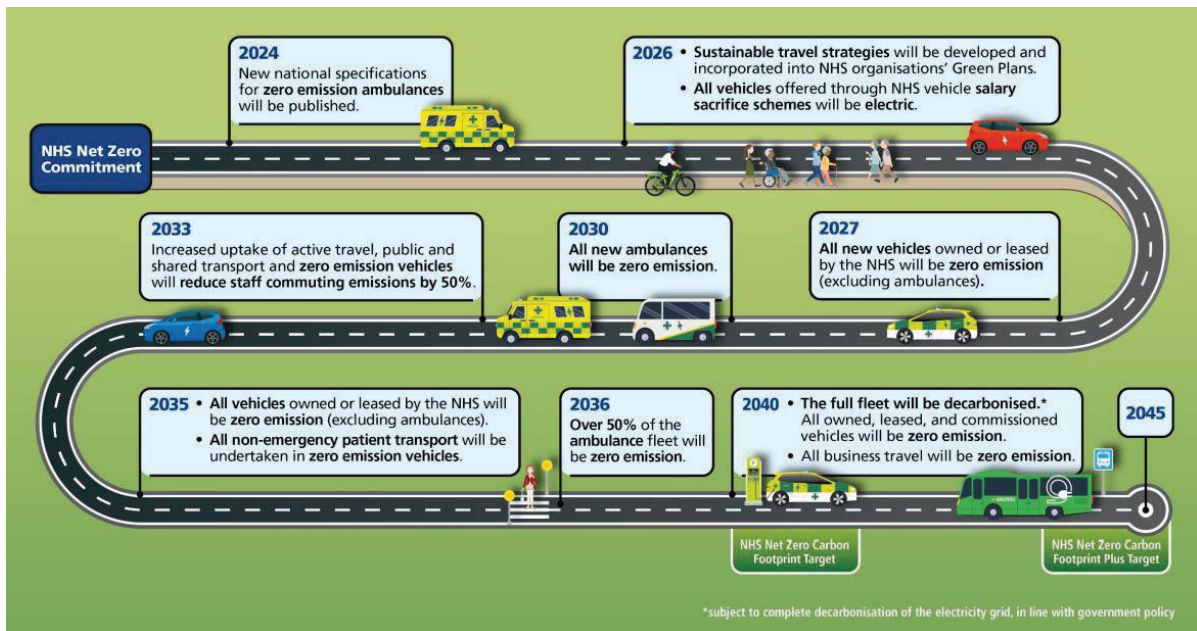


### Hired diesel/low emission/electric



### Owned diesel/low emission/electric





The NHS net zero travel and transport roadmap, NHS Net Zero Travel and Transport Strategy, October 2023

#### 1.13.4.4 NHS 75 100 Trees Planted

As part of the SHSC NHS 75 celebrations we committed to planting 75 trees to leave a lasting legacy from the landmark anniversary. This would also solidify our commitments to enhancing the biodiversity and green spaces at SHSC, to combat climate change and to ensure our environment creates opportunities to improve staff wellbeing and support our service users to make healthy choices. An application was made to NHS Forest to access the Trees and we were able to surpass our target of 75 trees and planted 100 blossom and fruit trees at Woodland view, Forest Close, Michael Carlise Centre and Grenoside Grange.



#### 1.13.5 Workforce and systems leadership and sustainable models of care -

## SHSC Green Network

A key priority of the Green Plan is to train and engage SHSC staff on sustainability to support Green Plan actions and the aspiration outlined in the plan to ensure that all staff working for SHSC will be equipped to answer: “What does sustainability mean to You, Your Team, Your Organisation?”

To support this our sustainability and organisational teams have worked together to include sustainable development into the Leadership Development Programme introduction day and within the transformation working and complex systems elements of the programme.

Guidance has been produced and provided within our management training package and to support our leaders in engaging with their teams on sustainability and to support engendering collective ownership.

As well as the resources available through Jarvis, on our staff extranet page, we also offer new and existing managers training sessions three to four times a year on what sustainable development means as a manager.

Outcomes of increased and improved engagement with staff have included:

- Improvement in staff knowledge around the links between the climate crisis, planetary health and human population health, and the co-benefits of protecting both people and planet.
- Active engagement in ensuring sustainable development is embedded in working behaviours and processes. Supported by the establishment of the SHSC Green Network as a collaborative forum for SHSC staff who are concerned about the climate crisis and want to encourage positive action at SHSC; to actively support one another and to accelerate delivery of our sustainable development strategy and realisation of our net zero targets.
- The aims of the SHSC Green Network are to:
  - Promote the Green Plan and sustainable development – as advocates leading by example and supporting staff to adopt sustainable behaviours
  - Communicate and educate - supporting the delivery of the Green Plan communications and engagement plan as well as gathering ideas, questions, concerns and feedback on environmental/sustainability issues; share stories, successes and challenges as well as improvement ideas to the Sustainable Development Group (SDG) and helping to make those ideas happen and where to focus our attention.

### 1.13.6 Our sustainability priorities 2024/25

We are committed to delivering our Green Plan commitments. These include continuing with our work to engage with our staff; to educate and empower them to deliver more sustainable care; integrating our approach into service business planning; our Quality Management System and Sustainable Development dashboard. We will put in place our Estate Decarbonisation Plan; develop sustainable models of care and begin to measure, monitor and report on impacts of our interventions captured in a case study library.

## 1.14 Going concern

After making enquiries, the directors have a reasonable expectation that the services provided by the NHS foundation trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

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

At the time of finalising this annual report there have been no important events that have happened between March 2024 and the report being issued in June 2024 which require reporting.

## 1.16 Details of any overseas operations

The Trust had no overseas operations during 2023/24 in respect of the provision of healthcare services.

We are the main UK partner of the Gulu-Sheffield Mental Health Partnership alongside other NHS Trusts in Sheffield, Manchester and London, as well as the University of Sheffield.

We have been working with a service user and carer group, Mental Health Uganda Gulu Branch (MHUGB) and Gulu Regional Referral Hospital (GRRH) since 2012.

All the funding for the work of the partnership is external to the Trust.

## Closing statement

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

Salma Yasmeen

Chief Executive

Date: 26 June 2024

## Section 2.0 Accountability Report

### 2.1 Directors Report

The Directors present their report and audited financial statement for the year 2023/24.

The Directors are responsible for preparing the Annual Report and Accounts, and consider the report, taken as a whole, to be a fair, balanced and clear account of the performance of the organisation during the financial year.

#### 2.1.1 Principle activities

The Trust's principal activity is the provision of mental health, learning disability and autism services.

#### 2.1.2 Business review

The Trust's activities are reviewed in:

- The Chair and Chief Executive's statement in section 1.0
- The Annual Governance Statement in section 2.17
- The Accounts in section 4.0. In addition to this, other information relevant to the Trust's activities is set out in the other sections of the report.

#### 2.1.3 Political or charitable donations we have made

The Trust did not make any political or charitable donation during the year 2023/24.

#### 2.1.4 Cost allocation and charging guidance

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

#### 2.1.5 Income disclosures

In 2023/24, the Trust met the requirement that income from the provision of goods and services for the purposes of the Health Service in England must be greater than its income from the provision of goods and services for any other purposes as defined under section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012). All net income from the provision of goods and services for other purposes has been reinvested back into healthcare for the benefit of service users.

#### 2.1.6 The Better Payments Practice Code

The Better Payments Practice Code is a target to pay all NHS and non-NHS trade payables within 30 days of receipt of goods/services or a valid invoice unless different terms have been agreed in advance. Compliance with the code requires 95% or above of payables to be paid within 30 days. Performance is measured on the number and the value of invoices. The disclosure is based on total bills paid over the financial year and excludes invoices in dispute.

The Trust achieved 100% compliance for NHS entities throughout 2023/24 by both number and value. Performance for non-NHS bodies was 99.6% for invoice numbers and 99.3% for invoice values.

The Trust is a signatory to the prompt payment code and is committed to paying suppliers within clearly defined terms. We also commit to ensuring there is a proper process for dealing with any invoices that are in dispute.

There has been no interest paid under the Late Payment of Commercial Debts (Interest) Act 1998.

## 2.2 NHS Well-Led Framework

In 2022/23 the Board of Directors undertook a comprehensive review of its effectiveness against the NHS England (NHSE) well-led framework domains, which included external support and scrutiny provided by NHSE - with the outcome positively received at the Board of Directors and at the regional quality board. Actions were identified to support ongoing continuous improvement. A process was put in place for all of our directorates to undertake their own local well-led high level self-assessments, the outcome of which was reported through the regular performance review process and updates on progress were provided to the Board through 2023/24.

In 2024/25 the Board of Directors will commission an externally supported well-led review. This will include focus on the new CQC quality statements.

## 2.3 How we are organised

### 2.3.1 The Board of Directors

The Board of Directors is chaired by Sharon Mays who also chairs the Council of Governors.

Board meetings are held in public every two months with strategy Board meetings taking place between these.

### 2.3.2 Decisions taken by the Board of Directors

The Board of Directors is responsible for all key strategic decisions.

It has established a number of committees with clear terms of reference and levels of delegation to undertake detailed review of areas of Trust business. Currently these are:

- Audit and Risk Committee
- Quality Assurance Committee
- Finance and Performance Committee
- People Committee
- Mental Health Legislation Committee
- Remuneration and Nomination Committee

### **2.3.3 Decisions delegated to management**

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

### **2.3.4 Board of Directors balance**

The Board of Directors currently has 5 voting Executive Directors including the Chief Executive, 3 non-voting Executive Directors and 6 voting Non-Executive Directors including the Chair and 1 non-voting Associate Non-Executive Director.

The Board of Directors regularly reviews its composition and considers the current composition reflects the skills and competencies required for the Trust to fulfil its obligations.

The composition of the Board of Directors complies with the provisions of the Code of Governance for NHS Provider Trusts as at least half of the voting Directors are Non-Executive Directors and are considered to be independent.

### **2.3.5 Declarations of Interest**

Arrangements are in place to capture Declarations of Interest which are confirmed to the Audit and Risk Committee and the Board of Directors. Declarations are also captured in minutes as required. No members of the Board are also serving on other NHS Foundation Trust Boards.

### **2.3.6 Non-Executive declaration of independence**

The Trust is compliant with requirements in the Code of Governance in respect of independence of the Non-Executive Directors.

### **2.3.7 Board evaluation**

The Board of Directors assesses its own performance and effectiveness, ensuring that it complies fully with its statutory and regulatory functions and duties. The Board and all its assurance committees undertook an annual review of effectiveness for 2023/2024.

At the end of each meeting of the Board of Directors and the Assurance Committees a review of effectiveness of the meeting and consideration of any unconscious bias takes place.

A Board development programme is in place and strategy Board meetings have taken place regularly throughout the year. Specific sessions were held during the year on a wide range of issues including:

- Patient Safety Incident Framework (PSIRF)
- CQC new regulatory inspection regime
- Annual Emergency Preparedness Resilience and Response (EPRR) training and updated self-assessment and associated action plan
- Being an effective unitary Board
- Changes to the Constitution

- Annual health and safety training
- Strategic direction review and refresh
- Annual PREVENT training
- Well-led refresh planned for 2024/25 with external support
- Stakeholder perceptions
- Engagement on equality objectives
- Risk Review, Board Assurance Framework development and Risk Appetite
- System governance
- Annual Operating Plan progress against 2023/24 objectives and consultation on 2024/25 plan and objectives alongside the draft Quality Objectives and priorities and draft quality objectives.
- Provider selection regime

Individual performance of members of the Board of Directors against their objectives are undertaken as follows:

- The Senior Independent Director undertakes the review for the Chair of the Board of Directors and Council of Governors with input from Governors, the Board of Directors and external stakeholders.
- The Chair undertakes appraisals for the Non-Executive Directors - reported to the Council of Governors via the Nominations and Remuneration Committee with input from Governors and the Board of Directors.
- The Chair undertakes the appraisal of the Chief Executive and the Chief Executive of the members of the Executive team. These are reported to the Remuneration and Nomination Committee of the Board of Directors.

All processes are being updated to reflect requirements in the new Leadership and Competency Framework for Boards.

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

In line with the Health and Social Care Act, NHS Code of Governance and provider licence requirements all executive and non-executive director appointments are made in compliance with Condition G4 of the Provider Licence 'Fit and Proper Persons' requirements and these are reviewed on an annual basis.

### **2.3.8 Process for the appointment of Chair and Non-Executive Directors**

The Nominations and Remuneration Committee of the Council of Governors meets and receives considerations from the Board of Directors on any skills required for any appointments to Chair or Non-Executive roles and receives and approves job descriptions, recruitment and appointment processes.

### **2.3.9 Conditions of service for Non-Executive Directors**



The length of appointments for Non-Executive Directors is 3 years. Proposals for re-appointments are received and approved at the Council of Governors and are conducted in line with the requirements of the Code of Governance. Agreement can be reached to extend the terms of the Chair or the Non-Executive Directors where this is in the best interests of the Trust. Terms of office may be ended by a resolution by the Council of Governors in line with the procedures laid out in the Constitution.

#### **2.3.10 Conditions of service for Executive Directors**

No Executive director can serve as a Non-Executive Director in any other Foundation Trust.

#### **2.3.11 Fit and Proper Person's requirement**

Arrangements are in place to ensure all members of the Board of Directors are compliant with the Fit and Proper Persons Test requirements. Declarations of compliance have been received and are confirmed to the Audit and Risk Committee and Board of Directors.

Arrangements have been put in place to meet new requirements following the Kark Review.

#### **2.3.12 Directors' statement as to disclosure to the auditors**

For each individual who was a director at the time this Annual Report was approved, so far as the directors are aware, there is no relevant audit information of which the Trust's auditor is unaware.

The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

#### **2.3.13 Accounting policies statement**


Accounting policies for pensions and other retirement benefits are set out in the Annual Accounts in Section 4.0 of this report and details of senior employees' remuneration can be found in the Remuneration Report in Section 2.13 of this report.

## 2.4 Board composition

### 2.4.1 Executive Directors

The Executive Directors are full time employees of the Trust and are the most senior managers responsible for its day to day running. They develop the future strategy and direction of the Trust for approval by the Board of Directors, are accountable to independent regulators, and are responsible for ensuring clinical and corporate effectiveness.

In line with legislative requirements, the Board includes a medical doctor and a nurse at voting Executive level. Each Executive Director has their own area of responsibility.

Executive Directors	
 <p><b>Salma Yasmeen</b> - Chief Executive – from July 2023</p> <p><b>Committees</b></p> <p>Attends Remuneration and Nomination Committee as required.</p>	<ul style="list-style-type: none"> <li>• Salma brings a wealth of experience in transformation, innovation and developing partnerships with people at the centre. She has a clinical background and is a registered mental health nurse. Her most recent role was as Deputy Chief Executive and Executive Director of Strategy and Change at South West Yorkshire Partnership NHS Foundation Trust a role she held since 2017.</li> <li>• Salma has led policy work on equalities across systems in parts of Yorkshire and London. She has had a number of leadership roles, including as Chief Executive of an award-winning mental health community development charity in an inner-city area that she established from a pilot project. It was recognised nationally for developing ground-breaking ways of engaging people from diverse communities, with the aim of reducing health inequalities and helping people to improve their mental health.</li> <li>• Salma is passionate about public services and the role that they play in addressing inequalities and enabling every person to live a safe, connected, meaningful and healthy life.</li> </ul>



**Jan Ditheridge - Chief Executive** - until end of June 2023

**Committees**

Attended Remuneration and Nomination committee as required

- Jan joined the Trust as its Chief Executive in March 2020 following seven years as Chief Executive of Shropshire Community Health NHS Trust.
- She is an experienced strategic leader with a background encompassing a broad variety of clinical, operational and leadership roles across health, social care and the private sector.
- She has a wealth of expertise in the areas of transformation, delivery, clinical quality and effective performance management. Jan is dual qualified as a Registered General and Mental Health Nurse and has an MBA.

Jan undertook Retire and Return in 2022/23, effective from September 2022 and remained in post until the end of June 2023.



**Dr Mike Hunter** - Deputy Chief Executive and Medical Director (until March 2024 when he left on secondment to Greater Manchester NHS FT)

**Committees**

- Quality Assurance – member
- Mental Health Legislation - member (Executive lead whilst in post)

- Mike was appointed as the Trust's Executive Medical Director in October 2016. He became Interim Deputy Chief Executive in January 2023.
- He has been a Consultant Psychiatrist for many years and was previously Clinical Director of Acute and Inpatient Services and Community Services at SHSC. His responsibilities include quality improvement, research and innovation, clinical effectiveness, medicines management, medical leadership and undergraduate and postgraduate medical education.
- Whilst in post he was the Caldicott Guardian and had related responsibilities for data protection and information governance.
- He also has a role as a National Speciality Advisor at NHS England.



**Dr Helen Crimlisk** – Interim Medical Director (from March 2024)

**Committees**

- Quality Assurance Committee - member
- Mental Health Legislation Committee (Executive lead)

- Helen is Executive Medical Director (interim) having been a consultant psychiatrist at SHSC for 20 years and Deputy Medical Director for eight years.
- Her responsibilities include quality improvement, research and innovation, clinical effectiveness, medicines management, population health and inequalities, learning disability community transformation, medical leadership and undergraduate and postgraduate medical education.
- Helen is the Caldicott Guardian and has related responsibilities for data protection and information governance and is the Safeguarding Doctor for SHSC.
- She is also Associate Director of Teaching, School of Medicine and Population Health University of Sheffield. Specialist Advisor for Workforce at the Royal College of Psychiatrists and an Honorary Senior Lecturer, SchARR, University of Sheffield.



**Phillip Easthope** – Executive Director of Finance, Digital and Performance


**Committees**

- Phillip has been the Trust’s Executive Director of Finance since January 2016, following a period as the Trust’s Interim Executive Director of Finance from March 2015. Prior to his appointment, he was the Trust’s Deputy Director of Finance since 2012 and has more than 20 years of experience in NHS finance.
- He is also the Senior Information Risk Officer (SIRO) and is the Executive Director for Digital and Performance and Executive lead for Sustainability and the Green Plan: key priority areas for the Trust as we look to implement a new patient record system and embed sustainability in everything we do.
- Phillip is a Fellow of the Association of Chartered Certified Accountants and has

<ul style="list-style-type: none"> <li>• Finance and Performance – member (Executive lead)</li> <li>• Audit and Risk – regular attendee (Executive lead)</li> </ul>	<p>completed the NHS Strategic Financial Leadership Programme.</p>
 <p><b>Caroline Parry</b> – Executive Director of People</p> <p><b>Committees</b></p> <ul style="list-style-type: none"> <li>• People – member (Executive lead)</li> <li>• Remuneration and nomination committee – regular attendee (Executive lead)</li> <li>• Finance and Performance – as required</li> </ul>	<ul style="list-style-type: none"> <li>• Caroline was appointed as Executive Director of People in January 2021 and brings with her previous experience as a HR professional from the civil service, higher education, the third sector and a number of NHS Trusts having previously held the role of Deputy Director of Human Resources, a role she started in 2016.</li> <li>• Caroline is a Chartered Fellow of the Chartered Institute of Personnel and Development, and has a master’s degree in HR management.</li> <li>• Her role is to implement our People Strategy, which aims to support the delivery of our organisational aims and our Clinical and Social Care Strategy. She also has responsibility for organisational development, leadership development, recruitment and retention, workforce information and planning, equality, diversity and inclusion, and staff wellbeing and engagement.</li> </ul>
 <p><b>Salli Midgley</b> RMN, RGN – Executive Director of Nursing, Professions and Quality</p> <p><b>Committees</b></p> <ul style="list-style-type: none"> <li>• Quality Assurance – member (Executive lead)</li> </ul>	<ul style="list-style-type: none"> <li>• Salli assumed the interim role of Executive Director of Nursing and Professions in January 2023, having previously joined the organisation in December 2020 as the Director of Quality and became substantive in the executive role in June 2023</li> <li>• Salli has worked as a registered nurse for over 30 years working in a range of mental health services across Yorkshire and the Humber. Predominantly her clinical practice was focussed on inpatient services with adults and older adults.</li> <li>• Latterly Salli led work nationally on reducing restrictive interventions with NHS England, as well as leading</li> </ul>

<ul style="list-style-type: none"> <li>• People – member</li> <li>• Mental Health Legislation committee – member</li> </ul>	<p>national quality improvement projects in Child and Adolescent Mental Health services and Learning Disability and Autism services. She has delivered focussed projects related to human rights, patient experience and seclusion.</p> <ul style="list-style-type: none"> <li>• Salli’s responsibilities include Safeguarding, Infection Prevention and Control, Use of Force, Delivery of the Quality Strategy, Engagement Strategy and Carer Strategy as well as Nursing leadership.</li> <li>• Salli is a trustee for the Restraint Reduction Network and a member of the National HOPES programme to reduce segregation across England. Salli also co-hosts the national positive and safe working group for mental health providers in England.</li> </ul>
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**Non-Voting executive directors**

 <p><b>Neil Robertson</b> – Director of Operations RGN, RMN</p> <p><b>Committees</b></p> <ul style="list-style-type: none"> <li>• Finance and Performance – member</li> <li>• People – member</li> <li>• Quality Assurance – regular attendee</li> </ul>	<ul style="list-style-type: none"> <li>• Neil assumed the interim role of Director of Operations in January 2023, having previously joined the organisation in April 2021 as Director of Operations (at Deputy Director level) and became substantive in the Board level role in February 2024</li> <li>• Neil is a nurse by background and has held several senior positions in the NHS including head of nursing and quality, operational director of different service portfolios and transformation and partnership leadership roles.</li> <li>• Neil spent most of his career working in South East London before joining the Trust. Since joining SHSC Neil has been focusing on service delivery and transformation.</li> <li>• During the financial year Neil has also held executive responsibility for Estates, Facilities, PMO and EPPR and is the accountable emergency officer.</li> </ul>
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**James Drury** – Director of Strategy (from January 2024)

**Committees:**

- Finance and Performance Committee – member

- James joined the Trust in January 2024. Prior to this he was Director of Partnership Development at NHS West Yorkshire Integrated Care Board where he focused on place based partnerships.
- James held previous NHS roles with South West Yorkshire Partnership NHS FT, Kirklees and Calderdale PCTs and Bradford District Care NHS FT.



**Deborah Lawrenson** – Director of Corporate Governance (Trust Board Secretary)

**Committees**

- Mental Health Legislation – member
- Audit and Risk committee – regular attendee
- Quality assurance – regular attendee
- People – regular attendee
- Finance and Performance – regular attendee
- Remuneration and Nomination – regular attendee

- Deborah has worked in the NHS since 1997 and has held board level and senior leadership roles in corporate governance and affairs across the NHS (acute, mental health and learning disabilities), public, private and charity sectors.
- Most recently Deborah worked for an acute Trust and a private sector hospital in London.
- She is passionate about the role governance, compliance and communications can and should play in supporting Trusts to provide the best possible care.
- She is also passionate about supporting young people to access high quality learning experiences and opportunities and is a director and trustee for a specialist learning disability group of schools 'Better Together Learning Trust'.



**Pat Keeling** – Director of Strategy until end of July 2023

**Committees**


- Finance and Performance Committee – member

- Pat was appointed to the role of Director of Strategy on a permanent basis in January 2022 and retired in July 2023.
- Prior to this Pat had been working with the Trust since December 2020 as Director of Special Projects, leading the development of our Strategic Direction, Estates Strategy, our broader strategy development, annual planning and strategic transformation programme.
- She has previously held senior roles within the NHS including at Surrey and Borders Partnership NHS Foundation Trust, Brighton University Hospital NHS Trust and the Royal Cornwall Hospitals NHS Trust.


**2.4.2 Non-Executive Directors**

The Non-Executive Directors are not employees of the Trust and not involved in the day to day running of the organisation. They provide invaluable external insight to scrutinise and challenge the Trust’s performance, system and processes. They hold or have held senior roles outside of the Trust and bring a wealth of experience and expertise from a range of fields including lived experience, higher education, financial, accounting, digital, public sector and private sector, clinical and management.

Their responsibilities include overseeing the delivery of the Trust’s strategies, seeking assurance on performance against goals, evaluating and challenging around risk, appointing Executive Directors and Very Senior Managers of the Trust and contributing to the development of the Trust’s Strategic plans.

Non-Executive Directors	Experience
	<ul style="list-style-type: none"> <li>• Commercial lawyer by profession</li> <li>• Non-Executive Director on the boards of NHS organisations since 2006.</li> <li>• During her seven year tenure as Chair of Humber Teaching NHS Foundation Trust, the organisation improved its overall Care Quality Commission (CQC) rating from ‘requires improvement’ to ‘good’, gained national recognition for its work on patient and carer experience, and won the Health Service Journal Mental Health Provider of the Year award.</li> </ul>



<p><b>Sharon Mays</b> - Chair of the Board of Directors and Council of Governors</p> <p><b>Tenure of Office</b></p> <p>1 October 2021 to 31 March 2023 - extended by the Council of Governors for a further 2 ½ years from 31 March 2023 to 30 September 2025.</p> <p>During the financial year Sharon has chaired the Board of Directors, Council of Governors, Board Remuneration and Nomination Committee and the Governor Nomination and Remuneration Committee; and has undertaken observations of the Board Assurance Committees.</p>	<ul style="list-style-type: none"> <li>• In addition to chairing Sheffield Health and Social Care NHS Foundation Trust, Sharon also chairs the South Yorkshire Mental Health, Learning Disability and Autism Provider Collaborative and is a board member of NHS Providers.</li> <li>• Previously been a member of the joint independent audit and integrated Governance committee for the Police and Crime Commissioner for Humberside and Humberside Police Force.</li> <li>• Previously been the Independent Person for standards investigations at East Riding of Yorkshire Council.</li> </ul>
 <p><b>Heather Smith</b> - Deputy Chair</p> <p><b>Tenure of office</b> - 1 August 2019 to 31 July 2023 - re-appointed for a further 3 years in April 2023 by the Council of Governors effective from August 2023 - 31 July 2026.</p> <p>Heather was approved as Deputy Chair by the Council of Governors in April 2023.</p> <p><b>Committees</b></p> <ul style="list-style-type: none"> <li>• Quality Assurance (Chair)</li> <li>• People (Chair until September 2023)</li> <li>• Audit and Risk</li> </ul>	<ul style="list-style-type: none"> <li>• Prior to retirement from her role as Principal of the Sheffield College, Heather had worked in education in Sheffield, where she lives, for over 33 years. Since retirement Heather has undertaken advisory and coaching support work with colleges around the country, as well as working on a voluntary basis with a local organisation which is focussed on reducing food waste and promoting sustainability.</li> <li>• Heather’s work in education has many links with the goals of the Trust. One of her early management roles was the introduction of pathways to employment and 35 apprenticeships with the NHS in Sheffield, a project which gained several national awards and still exists today.</li> <li>• Heather is a passionate supporter of the need for city-wide organisations to work together collaboratively in order to improve lives and promote social justice and equality. Heather’s interest and expertise lies in organisational development and transition, culture change and improvement management.</li> </ul>

<ul style="list-style-type: none"> <li>• Remuneration and Nomination</li> <li>• Mental Health Legislation Committee (until September 2023)</li> </ul> <p>She has attended Council of Governors meetings and presented on the work of her committees.</p> <p>Heather is the Board NED lead for Freedom to Speak Up (nationally required role).</p>	
 <p><b>Anne Dray</b> - Senior Independent Director (nationally required role).</p> <p><b>Tenure of office</b></p> <p>1 November 2020 to 31 October 2024 - re-appointed for a further 2 years in February 2024 by the Council of Governors effective from 31 October 2024 – 31 October 2026.</p> <p><b>Committee membership</b></p> <ul style="list-style-type: none"> <li>• Audit and Risk (Chair)</li> <li>• Quality Assurance</li> <li>• Finance and Performance</li> <li>• Remuneration and Nomination</li> </ul> <p>She has attended Council of Governors meetings and presented on the work of her committee. She also attends the Governors Nominations and</p>	<ul style="list-style-type: none"> <li>• Graduate of the University of Sheffield and a member of the Chartered Institute of Public Finance and Accountancy. Anne undertook her professional accountancy training at Trent Polytechnic in Nottingham.</li> <li>• Anne has lived in Sheffield since 1978. She has worked in the NHS for over 40 years and has been a Board level director for most of the past 30 years.</li> <li>• Anne has worked across different health systems in both provider and commissioning organisations and at local and regional level.</li> <li>• She has held a wide range of positions including Director of Finance and Information, Director of Performance, System QUIPP (Quality, Innovation, Productivity and Prevention) and Transformation Director, Director of Development, Programme Director, Transition Programme Director and Chief Executive.</li> <li>• She is also a Non-Executive Director at Nottingham City Care Partnership.</li> </ul>

Remuneration Committee in her role as Senior Independent Director when required.



**Dr Olayinka Monisola Fadahunsi-Oluwole (Yinka)**

**Tenure of office**

1 June 2021 to 31 May 2025.

**Committees**

- Mental Health Legislation Committee (Chair)
- Quality Assurance
- People
- Remuneration and Nomination

Yinka has attended Council of Governors meetings and presented on the work of her committee, and has attended staff network groups. In her role as Chair of MHLC Yinka attended the Trust Least Restrictive Practice Conference.

Yinka is the NED lead for staff wellbeing (nationally required role).

- Yinka has lived in Sheffield since 2017, working at Sheffield Children’s Foundation NHS Trust as a Specialty Doctor in Community Paediatrics and Neurodisability.
- Also at the Children’s Trust she is a Medical appraiser of Doctors and Dentists; a Staff Governor (until September 2023), an Ambassador of The Children’s Hospital Charity and a member of the Race Equality Network.
- Yinka is a member of the South Yorkshire Police Independent Advisory Group (Police Race Action Plan)
- Yinka firmly believes diversity of race, religion, sex, gender, sexual orientation, and culture should be celebrated and respected with equal opportunities for all.



**Owen McLellan**

**Tenure of office**

1 July 2022 - 30 June 2025

**Committees**

- Finance and Performance (Chair)
- Audit and Risk
- People committee
- Remuneration and Nomination

Owen has attended Council of Governor meetings and presented on the work of his committee.

- Owen is a qualified accountant and corporate treasurer with a wide-ranging background in senior finance roles in the commercial sector, and previously worked at PricewaterhouseCoopers LLP and until very recently worked at Wm Morrison Supermarkets PLC, as Finance Director.
- Owen is currently Director of Company Shop Ltd and Director of Community Shop Community Interest Company (CIC)



**Mark Dundon**

**Tenure of office**

1 March 2023 - 28 February 2026.

**Committees**

- People (Chair from September 2023)
- Finance and Performance

- Mark has extensive experience at board level as an executive in Technology, Financial Services, Telecoms, Utilities and Transport and has held various Chief Information Officer roles. Mark is currently Director and Owner of Inversion Consultancy and Solutions Ltd.

<ul style="list-style-type: none"> <li>• Mental Health Legislation</li> <li>• Remuneration and Nomination and</li> </ul> <p>He has attended Council of Governors meetings and has presented on the work of his Committee</p>	
 <p><b>Brendan Stone</b> – Associate Non-Executive (non-voting)</p> <p><b>Tenure of office</b></p> <p>Initially appointed March 2019. Re-appointed by the Board of Directors 9 March 2023 - 28 February 2025.</p> <p><b>Committees</b></p> <ul style="list-style-type: none"> <li>• Quality Assurance</li> <li>• Mental Health Legislation</li> <li>• Remuneration and Nomination</li> </ul> <p>Brendan is the Board champion for service user voice and engagement</p>	<ul style="list-style-type: none"> <li>• Brendan is Professor of Social Engagement and the Humanities at the University of Sheffield.</li> <li>• He has been very involved in leading work on the engagement of service users in developing policy and strategy.</li> <li>• At a national level, he is a Senior Leader with The National Collaborating Centre for Mental Health (NCCMH) for NHS England’s Culture of Care Programme, and co-chaired the NHS England Strategic Oversight Group for the programme on the Use of Restrictive Interventions in NHS Commissioned Health Care.</li> <li>• He is a Director of Sheffield Flourish, a mental health charity which frequently works with Universities and the NHS.</li> <li>• Brendan has lived with serious mental illness throughout his adult life. He has experience of being hospitalised for mental illness, and in his earlier life spent periods homeless and as a rough sleeper.</li> <li>• This non-voting associate non-executive role was put in place, as a Board of Directors appointment in 2018 in order to meet a requirement for the Trust’s membership of the Association of University Hospitals, namely that SHSC has a university nominated non-executive on the Board of Directors.</li> <li>• Brendan joined the Board of Directors as a nominee from the University of Sheffield and brings a wealth of experience and a specific focus to the board on Lived Experience.</li> </ul>

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### 2.4.3 Directors' interests

The Register of Interests is maintained by the Director of Corporate Governance and is available for inspection by members of the public on the Trust's website at [www.shsc.nhs.uk/about-us/board-directors](http://www.shsc.nhs.uk/about-us/board-directors)

## 2.5 Code of Governance

SHSC has applied the principles of the NHS Code of Governance for Provider Trusts (effective from April 2023) throughout the financial year on the basis of the Code's principles of 'comply or explain' and is compliant with the Code. The Code is based on the principles of the UK Corporate Governance Code issued in 2012.

The Board of Directors uses the Code of Governance to support maintaining high standards of governance practice across the Trust.

## 2.6 Attendance at Board of Directors and committee meetings 2023/24

Note - where a member of a committee has joined that committee part way through the year their attendance is noted against the number of meetings relevant to their tenure. All meetings have been quorate during the financial year.

Non-Executive attendance at Assurance Committee meetings and Council of Governors	Public Board of Directors meetings	Audit and Risk	Quality Assurance	Finance and Performance	People	MHLC	Board Remuneration and Nomination	Council of Governors (including AMM)
Sharon Mays (Chair)	7/7	Observed April 2023 and Jan 2024	Observed Dec 2023	Observed Dec 2023	Observed Jan 2024	Observed June 2023 and Sep 2023	8/8	7/7
Heather Smith	7/7	5/5	11/11	N/A	6/6	1/1	8/8	7/7
Anne Dray	7/7	6/6	10/11	11/13	N/A	N/A	8/8	7/7
Dr Olayinka Monisola Fadahunsi-Oluwole	5/7	N/A	9/11	N/A	5/6	4/4	6/8	5/7
Owen McLellan	6/7	6/6	N/A	13/13	6/6	N/A	7/8	3/7
Mark Dundon	7/7	N/A	N/A	11/13	5/6	2/4	7/8	5/7

Brendan Stone (Associate Non-Executive)	6/7	N/A	7/11*	N/A	N/A	3/4 Delegate sent	5/8*	2/7*
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Executive attendance at Assurance Committee meetings	Public Board of Directors meetings	Audit and Risk	Quality Assurance	Finance and Performance	People	MHLC	Board Remuneration and Nomination
Salma Yasmeen	5/5	1/1 (Oct) Observing	1/1 (Oct) Observing	1/1 (Oct) Observing	1/1 (Sept) Observing	N/A	6/6
Jan Ditheridge*	2/2	1/1 (June)	N/A	N/A	N/A	N/A	1/2
Dr Mike Hunter*	6/6	N/A	8/10 Delegate sent	5/12	N/A	2/3 delegate sent	N/A
Dr Helen Crimisk	1/1	N/A	2/2	N/A	0/1	0/1	N/A
Phillip Easthope	7/7	6/6	N/A	12/13 delegate sent	N/A	N/A	N/A
Salli Midgley	6/7	N/A	11/11	1/2	5/6	4/4	N/A
Caroline Parry	7/7	N/A	N/A	9/13	6/6	N/A	7/7
Neil Robertson	7/7	N/A	9/11 Delegate sent	11/13 delegate sent	1/6 delegate sent	N/A	N/A
Deborah Lawrenson	7/7	6/6	10/11 delegate sent	10/13 delegate sent	4/6 delegate sent	3/4 delegate sent	6/6
Pat Keeling*	3/3	N/A	N/A	3/3	N/A	N/A	N/A
James Drury	1/2	N/A	N/A	2/3	N/A	N/A	N/A

\*Jan Ditheridge left the Trust at the end of June 2023

\*Dr Mike Hunter left the Trust at the end of February 2024

\*Pat Keeling left the Trust at the end of July 2023

## 2.7 Board Assurance Committees

The Board of Directors has several assurance committees to which it delegates authority to carry out some of its detailed work.

### 2.7.1 Effectiveness of the Committees

All Committees carry out annual reviews of effectiveness and present annual reports on the work of their committees for assurance to the Audit and Risk Committee and Board of Directors.

Alert, Advise and Assure reports are received from all Assurance Committees to the Board of Directors.

### 2.7.2 Audit and Risk Committee

The **Audit and Risk Committee** provides the Board of Directors with an independent and objective review of the system of internal control and overall assurance process associated with managing risk.

The Committee is responsible for commissioning and reviewing work from independent external and internal audit services, counter fraud services and other bodies as required.

Meetings are attended, in accordance with the agenda, by the internal and external auditors, local counter fraud specialist, and members of the Trust Executive Management as required. The Chief Executive attends the meeting at which the annual accounts are presented. Relevant Executive leads are asked to attend the meeting where any internal audit reports with limited assurance are received.

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

The committee receives the annual reports from the Board Assurance Committees which provide assurance on how they have discharged their roles over the financial year. These assurances and this oversight form the basis for the Chief Executive's Annual Governance Statement.

Copies of the terms of reference of the Audit and Risk Committee can be obtained on the Trust's website at [www.shsc.nhs.uk/about-us/board-directors/board-directors-committees](http://www.shsc.nhs.uk/about-us/board-directors/board-directors-committees)

#### **2.7.2.1 Significant issues considered by the Audit and Risk committee**

The Audit and Risk Committee has an annual review cycle in place in relation to reviewing and considering effectiveness and on-going compliance. Significant activity considered by the committee during 2023/24 included:

- External Audit reports including the external audit plan, draft and Value For Money (VFM) assessment, ISA 260, auditors' annual report and management letter.
- Internal audit reports including the internal audit plan, progress reports, internal audit reports, draft and final Head of Internal Audit opinion.
- Counter fraud work plan, progress report and annual report.
- Draft and final annual governance statement, annual report and accounts.
- Reports on losses and special payments; material estimates and going concern.
- Receipt of registers for declarations of interests, hospitality, sponsorship and gifts.
- Updated Risk Management Framework and oversight of management of risks, Board Assurance Framework and Corporate Risk Register.
- Annual work plan and declaration of compliance on emergency preparedness, resilience and response – action plan for meeting the new requirements.



- Annual reports from the Board assurance committees and reviews of effectiveness.
- Data and Information Governance Annual report including Senior Information Risk Owner (SIRO) and Caldicott Guardian.
- Annual and mid-year report on claims and litigation.
- Plans for external audit arrangements post 2023/24.
- Single tender waivers process and assurance reports and SFI breaches report.
- Revised Standing Orders, Standing Financial Instructions (SFI) and Scheme of Delegation.
- Annual report on policy governance and regular reports on policies overseen by the committee.
- Accounting policies and financial reporting manual.
- Annual ARC committee review of effectiveness and progress against committee objectives.
- Annual report from the Committee to the Board.

The **Quality Assurance Committee** is responsible for providing assurance to the Board on the effectiveness of the Trust's systems and processes for safeguarding and improving the safety and quality of services and matters around service user and patient experience.

The **Finance and Performance Committee** is responsible for ensuring that the Trust's finances are managed within the allocated resources to deliver an effective and efficient service and provides oversight of performance, transformation programmes and sustainability.

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

The **Mental Health Legislation Committee** is responsible for matters of statutory and regulatory compliance in respect of Mental Health and Human Rights Legislation.

The **Remuneration and Nomination Committee** is responsible for determining the remuneration and terms and conditions of service of the Executive Management Team (including the Chief Executive).

## 2.8 The Management Team

The Board of Directors delegates the day-to-day management of the operational activities of the Trust to the Chief Executive supported by the Executive Management Team.

## 2.9 Committee in Common

The Trust is part of the South Yorkshire Mental Health Learning Disability and Autism Collaborative which is made up of four Trusts – Sheffield Health and Social Care NHS FT, Rotherham Doncaster and South Humber NHS FT, Sheffield Children’s NHS FT and South West Yorkshire Partnership NHS FT. This is structured as a joint working agreement which sets out the vision, role, priorities, rules of working and key workplan of the collaborative and terms of reference for the Collaborative have been agreed by the constituent Boards. Each of the four Trusts has its own committee in common with these then coming together as a joint committee in common (Provider Collaborative Board). The Committee in Common arrangement provides a flexible framework for aligned decision making.

## 2.10 Audit

### 2.10.1 External Audit

Our external audit function has been carried out by KPMG LLP since 2019 following a full competitive tender process to ensure compliance with regulator requirements. The contract awarded was for an initial period of three years, with an option to extend for a further year. In 2022/23 a recommendation was made to the Audit and Risk Committee, Board of Directors and Council of Governors that the contract be extended for a further year which was approved by the Council of Governors in December 2022. During 2023/24 a formal tender process for the external audit function was undertaken. Unfortunately, no responses were received to the tender request. As a result, an update and options appraisal, together with a revised plan was presented to an extra-ordinary meeting of the Audit and Risk Committee held on 11 December 2023. A recommendation was made by the Audit and Risk Committee and approved by the Council of Governors, at their meeting on Tuesday, 19 December 2023, to make a direct award and secure a continued external audit arrangement with KPMG under a two plus one year arrangement.

The auditors have attended Audit and Risk Committee meetings to present updates on accounting and business matters relevant to the organisation and to provided update on audit plans and preparation. As part of this the committee considers implications of new accounting guidance and whether our financial statements are compliant with relevant reporting standards.

The auditors are required to make the case to the committee that they are objective and comply with the technical and ethical standards that apply to them as auditors.

The statutory fee for the 2023/24 audit was £191k including VAT. An additional amount of £7k including VAT was agreed after 31st March 2024 in relation to additional risk and testing associated with data migration to a new financial ledger system with a new chart of accounts.

The effectiveness of the external audit function is assessed annually through the self-assessment questionnaire of members.

KPMG has carried out no other services for the Trust during the financial year 2023/24.

The committee, Executive Director of Finance and the Director of Corporate Governance (Trust Board Secretary) engage regularly with the auditors across the financial year.

### **2.10.2 Internal Audit**

360 Assurance provide internal audit and Local Counter Fraud Service (LCFS) to the Trust and are represented at the Audit and Risk Committee meetings.

Our audit activity ensures effective oversight of our financial reporting and governance processes. The internal audit plan was developed through discussion with members of the Audit and Risk Committee, the executive team and other directors and the annual audit plan is derived following an overarching risk assessment and is translated into the annual internal audit operational plan and three-year strategic plan. Progress on internal audits against the annual internal audit plan is received at each Audit and Risk Committee meeting together with progress with delivering internal audit actions.

Our internal audit work in 2023/24 is covered in the Annual Governance Statement in section 2.17 and the Head of Internal Audit Opinion.

The Audit and Risk Committee last reviewed the performance and value for money of the internal audit function during 2022/23.

The activity of the LCFS is also risk focussed and an agreed plan in place. During the year the LCFS provided support in relation to assessing new and emerging risks and undertaking a proactive exercise including detention elements to seek out fraud bribery and corruption, this was supported by bespoke training to teams including the People Directorate and awareness of fraud risks. Reactive work took place around alleged fraud activity as required.

We incurred an Internal Audit fee of £81k including vat for the reporting period. This includes the Local Counter Fraud service.

The effectiveness of the internal audit function is assessed annually through the self-assessment questionnaire of members.

## **2.11 Financial Reporting**

The Audit and Risk committee reviewed the Trust's Accounts and Annual Governance Statement. To assist this review, it considered reports from management and from internal and external auditors giving consideration to the

quality and acceptability of accounting policies, including their compliance with accounting standards:

- Key judgements made in preparation of the financial statements
- Compliance with legal and regulatory requirements
- The clarity of disclosures and their compliance with relevant reporting requirements

The Committee has reviewed the content of the annual report and accounts and on behalf of the Board is of the view that, taken as a whole it is:

- fair, balanced and clear and provides the information necessary for stakeholders to assess the Trust's performance, business model and strategy.
- Consistent with the Annual Governance Statement, Head of Internal Audit Opinion and feedback received from external auditors.

## 2.12 The Council of Governors

The Council of Governors is chaired by the Trust Chair and is made up of elected Governors and appointed Governors from partner organisations.

The Council of Governors plays an essential role in the governance of the Trust with its main duties being to:

- Appoint or remove the Chair and other Non-Executive Directors
- Hold the Non-Executive Directors to account for the performance of the Trust
- Approve the appointment of the Chief Executive
- Decide the remuneration and allowances of the Chair and Non-Executive Directors
- Appoint or remove the external auditor
- Be consulted on the Trust's objective of delivering high quality services
- Be consulted in setting the forward business plans (Annual Operating Plan)
- Approve any amendments to the Constitution
- Receive the annual accounts and annual report
- Represent the interests of members and the public

The constituencies are laid down in the Trust's Constitution which can be found on the website at <https://www.shsc.nhs.uk/get-involved/council-governors> and outlined in section 2.12.4.

Elections take place annually to fill vacant seats.

The Council of Governors met in public 5 times during 2023/24 together with an extraordinary meeting. During the year meetings moved to a hybrid approach in person and on-line.

A range of development and workshop sessions have been held with detail available in section 2.12.9.

The current list of Governors can also be found on the website at:

<https://www.shsc.nhs.uk/get-involved/council-governors>

### 2.12.1 The role of the Council of Governors

Governors play a vital role in governance arrangements of the Trust and contribute to the work of the Trust, together with the Board of Directors, to help improve the quality of services and care. The Council of Governors is representative of the membership of the organisation and brings together the views of the public, service users, carers, staff and other stakeholders into the governance process.

### 2.12.2 Performance evaluation of the Council of Governors

The Council of Governors undertakes an annual review of its effectiveness and agrees any priorities for the forthcoming financial year.

### 2.12.3 Composition of the Council of Governors

All Governors serve a three-year term and can hold this position for a total of three terms. Governors must provide a declaration of interests and their compliance with the Fit and Proper Person's Test.

Table A below sets out the constituencies, eligibility criteria and membership numbers of the constituencies and Table B sets out the composition of the Council of Governors throughout the financial year. The totals represent the number of governors in post **as of 31 March 2024**. The table also outlines attendance at Council of Governors meetings.

### 2.12.4 Constituencies, eligibility criteria and membership numbers

There are three elected membership constituencies, within which there are a number of separate classes. The table below details each one and its eligibility criteria where applicable and the number of members in each class as at 31 March 2023.

**Table A - Constituencies, eligibility criteria and membership numbers**

Constituency	Class	Number of members	Criteria for membership
Public	South West	2,599	Must live in the following electoral wards: Gleadless Valley, Dore and Totley, Fulwood, Graves Park, Nether Edge, Ecclesall, Beauchief and Greenhill or Crookes.
Public	South East	2,325	Must live in the following electoral wards: Darnall, Manor Castle, Arbourthorne, Richmond, Birley, Mosborough, Beighton or Woodhouse.
Public	North West	1,943	Must live in the following electoral wards: Stocksbridge and Upper Don, Stannington, Hillsborough, Walkley, Broomhill or Central.

Public	North East	2,368	Must live in the following electoral wards: West Ecclesfield, East Ecclesfield, Southey, Firth Park, Burngreave, Shiregreen and Brightside.
Public	Rest of England	535	Any area within England outside of the Sheffield electoral wards.
Service user	Service user	919	Must have received a service or services from the Trust within the last five years.
Service user	Carer	599	Must have cared for someone who has received a service from the Trust in the last five years.
Service user	Young service user or carer	77	A service user or carer but must be 35 years old or younger.
Staff	Allied Health Professional	125	Must have either worked for the Trust continuously for at least 12 months or have a contract of no fixed term.
Staff	Central support	510	
Staff	Clinical support	214	
Staff	Medical and clinical	202	
Staff	Nursing	572	
Staff	Psychology	197	
Staff	Social work	17	
Staff	Support work	455	

Total staff 2,292. Membership for staff is automatic and we have not had any opt outs.

At the end of March 2023 there were 11,365 members (excluding staff).

**Table B - Composition of the Council of Governors**

Electing/ Appointing body	Governor name	Meetings attended (including AMM)	Term of office
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<b>Public Constituency</b>			
Sheffield North East	Alan Radford	2/3	01.09.2023 to 31.07.2026  <i>Left February 2024</i>
Sheffield North East	Mohammed Khawja Ziauddin	0/4	01.08.2023 to 31.07.2026
Sheffield North West	Sylvia Hartley	3/3	01.08.2020 to 31.07.2023
Sheffield North West	Irene Nakamatte	2/7	01.07.2022 to 30.06.2025
Sheffield South East	Chris Digman	2/7	01.08.23 to 31.07.2026
Sheffield South East	Vacant seat	N/A	N/A
Sheffield South West	Ben Duke <i>(Deputy Lead Governor)</i>	6/7	01.08.2023 to 31.07.2026
Sheffield South West	Julie Kitlowski	5/7	01.08.2021 to 31.07.2024
Outside Sheffield	Fozia Nadeem	4/7	01.02.2023 to 30.06.2025  <i>Left March 2024</i>
<b>Staff Constituency</b>			
Nursing Staff Class	Kathleen Myrie	3/7	01.02.23 to 30.06.2025
Social Worker Staff Class	Vacant seat	N/A	N/A
Medical and Clinical Staff Class	Vacant seat	N/A	N/A
Allied Health Professions Staff Class	Vyvyan Hopkinson	1/7	01.08.2021 to 31.07.2024
Psychology Staff Class	Vacant seat	N/A	N/A
Support Worker Class	Angelito Esguerra	6/7	01.02.2023 to 30.06.2025

Support Clinical Staff Class	Trevor Wright	1/2	01.02.2023 to 30.06.2025 <i>Left April 2023</i>
	Esther Ogunleye	1/4	01.08.2023 to 31.07.2026 <i>Left March 2024</i>
Support Central Department Staff Class	Dave Palfreyman	6/7	01.07.2022 to 30.06.2025 <i>Left March 2024</i>
<b>Service Users and Carers Constituency</b>			
Service Users Class	Terry Proudfoot <i>(Lead Governor)</i>	6/7	01.07.2022 to 30.06.2025
	Nicola Hodson	0/7	01.08.2021 to 31.07.2024
	Jonathan Hall	6/7	01.07.2022 to 30.06.2025
	Rebecca Lawlor	5/7	01.08.2023 to 31.07.2026
	Nev Wheeler OBE	0/3	01.09.2020 to 31.08.2023 <i>Left June 2023</i>
	Vacant seat	N/A	N/A
	Vacant seat	N/A	N/A
	Vacant seat	N/A	N/A
	Vacant seat	N/A	N/A
	Vacant seat	N/A	N/A
Carers Class	Billie Critchlow	6/7	01.07.2022 to 30.06.2025
	Saira Jabin	2/7	01.02.23 to 30.06.2025 <i>Left March 2024</i>
	Vacant seat	N/A	N/A
	Vacant seat	N/A	N/A



Young Service User and Carer Class	Dr Alistair Brash	1/7	01.07.2022 to 30.06.2025
	Vacant seat	N/A	N/A
<b>Appointed Governors</b>			
Sheffield City Council	Cllr Martin Phipps	0/7	01.07.2022 to 30.06.2025 <i>Left March 24</i>
	Cllr Steve Ayris	2/3	05.07.21 to 01.05.2024 <i>Left July 2023</i>
	Vacant seat	N/A	N/A
Staff Consultative Forum	Julie Marsland	5/7	01.07.2023 to 30.06.2026
Sheffield Hallam University	Ross Mallett	2/4	01.09.2023 to 31.08.2026
Sheffield University	Scott Weich	5/7	05.09.2021 to 04.09.2024
Sheffield Carers Centre	James Barlow	4/7	22.02.22 to 21.02.2025
Sheffield Mencap	Dave Swindlehurst	7/7	01.07.2023 to 30.06.2026
Sheffield African Caribbean Mental Health Association	Celia Jackson-Chambers	7/7	01.05.2024 to 30.04.2024
Sheffield Pakistani Muslim Centre	Irfan Khan	2/7	01.07.2022 to 30.06.2025
<b>Number of Governors in post as at 31 March (elected and appointed):21</b>			
<b>Vacancies as of 31 March (elected and appointed): 22</b>			
<b>Total:43</b>			

### 2.12.5 Changes to the Council of Governors

In 2023/24 governor elections took place for 19 vacancies. Of these vacancies, six of the seats were filled and 13 vacancies remained in the staff, service user, carer and public constituencies. The Public South-West seat was the only contested seat, all other seats were elected unopposed. Elections to vacant posts took place in Quarter 1 of the new financial year 2024/25.

It is a requirement that Foundation Trusts identify a Lead Governor from within its Council of Governors. Following agreement by the Council of Governors, Terry Proudfoot was elected as the Lead Governor for a further two year period, from 1 July 2022. Ben Duke was elected Deputy Lead Governor by the Council of Governors for a further two years from September 2023.

All Governors are required to comply with the Council of Governors' Code of Conduct, which includes a requirement to declare any interests that may result in a potential conflict in their role as a governor in the Trust and with the Fit and Proper Persons Test.

The register of interests is held by the Board Secretary and is available on the Trust's website at [www.shsc.nhs.uk/get-involved/council-governors](http://www.shsc.nhs.uk/get-involved/council-governors)

Any disputes are resolved in accordance with the Trust's Constitution. The Engagement Policy provides further guidance on action to take dependent upon the nature of the dispute.

#### **2.12.6 Holding to account - Forward plans**

Each year the Council of Governors is presented with the annual report and accounts including views on forward plans, and the report from the external auditor. Governors' views are sought annually on the Trust's forward plans, strategic, quality and equality objectives. The Annual Operational Plan 2023-2024 was presented to the formal Council of Governors meeting in April 2023 and an additional drop-in session was held in April 2023 to support governors in asking questions and providing feedback and comments. A mid-year review of progress against the objectives was presented to the formal Council of Governors meeting in December 2023 and in February 2024 the Council of Governors were engaged on the proposed priorities for 2024/25 for the Annual Operating Plan, Quality Objectives and Equality objectives.

#### **2.12.7 The Nomination and Remuneration Committee of the Council of Governors**

The committee is chaired by the Trust Chair, except for instances in which the appointment and performance of the Chair are discussed. The Senior Independent Director and the Board Secretary attend the committee to provide support and advice and where appropriate the Director/Deputy Director of People also attend.

The committee is responsible for taking forward recommendations to the Council of Governors concerning appointment, re-appointment or termination of the Chair and Non-Executive Directors prior to the conclusion of their terms of office and reviews annual performance. It also receives key reports on appointments to the role of Chief Executive which require approval at the Council of Governors, in advance of discussion at the Council of Governors meetings. In 2023/2024, the Nominations and Remuneration Committee met 3 times in 2023/24 and was involved in Chair and Non-Executive Appraisals and the recommendation of the re-appointment of a Non-Executive Director (effective from November 2024).

The Council of Governors approved the appointment of the new Chief Executive in April 2023.

Attendance of the Nominations and Remuneration Committee members is shown in

the table below.

Name	Position	Attendance
Sharon Mays	Chair	2/3
Terry Proudfoot	Lead Governor (Service User)	2/3
Ben Duke	Deputy Lead Governor	3/3
Sylvia Hartley (until June 2023)	Public Governor	0/1
Billie Critchlow	Carer Governor	3/3
Nev Wheeler (until June 2023)	Service User governor	0/1
David Palfreyman	Staff Governor	3/3
Jonathan Hall joined Nov 2022	Service User Governor	3/3
Anne Dray – attendee	Non-Executive Director and Senior Independent Director in an advisory role	2/3
Deborah Lawrenson – attendee	Director of Corporate Governance (Board Secretary) in an advisory role	3/3
Amber Wild – Attendee	Head of Corporate Assurance	3/3

### 2.12.8 Annual Members Meeting

The Trust held its Annual Members Meeting in September 2023 which was an in-person event and was attended by Governors, members, staff, service users and the general public. The event provided an opportunity for members to learn more about the Trust and its services. Staff at SHSC were celebrated for their continued hard work and dedication. There were a range of information stalls highlighting some of the services and projects in SHSC:

- Cultural Advocacy work
- Gulu Sheffield Mental Health Partnership
- Music and Art Therapy
- Peer Support Worker
- People Directorate – recruitment
- Primary and Community Mental Health Transformation
- Professional Nurse Advocate
- Reducing restrictions Burbage
- Sexual Safety – Forest Close
- Council of Governors and Membership

A video showcase featured the NHS75 celebrations, a Trust SHSC danceathon, our transformation work and a peer support worker video.

Attendees had the opportunity to hear from the Lead Governor and key speakers from the Board about the achievements and challenges over the past year.

Further information on membership and how to communicate with Governors can be found on the website: <https://www.shsc.nhs.uk/get-involved> or email [foundation.trust@shsc.nhs.uk](mailto:foundation.trust@shsc.nhs.uk)

### 2.12.9 Governor activities and involvement in 2023/24

The Board of Directors continues to have regard for the views of the Council of Governors in a range of ways and Governors have received regular internal briefings and communications as required. Examples of opportunities for Governors to engage in the financial year included:

- Drop in sessions with the Chair
- Drop in sessions with the Director of Corporate Governance (Trust Secretary) and the Head of Corporate Assurance
- Annual Members Meeting
- NHS providers Governor Focus Conference
- Annual Operational Plan drop-in session
- Chair drop-in sessions
- Constitution review
- Board Secretary drop-in sessions
- External Auditor appointment
- Finance Workshop
- Governor Peer support network
- Governor observation of board of Director meetings and Board Assurance Committee meetings.
- Governor research champion
- Homeless Assessment team workshop
- Membership Engagement workshop
- Governor induction workshop
- NHS75 celebrations
- South Yorkshire Mental Health Learning Disability Autism Provider collaborative workshop
- Patient Led Assessment of the Care Environment (PLACE) programme
- Quality Workshop
- Sun:Rise service user network aimed at improving the range of ways in which service users can be informed and involved in the work of the Trust.
- Carer Open Door group
- Carer Action Group
- Hearts and Minds Art Exhibition
- Stakeholder Interview panels
- Equality Objectives Refresh workshop
- Celebration event for unpaid Children and Adult Carers
- Visits to the Health Based Place of Safety
- Let's Talk about Race Conference
- Learning Disability and Community Mental Health Transformation workshop

- Workshops - Effective Questioning ; annual operating plan, finance, quality, engagement; duties around system collaboration and requirements of the new Code of Governance.
- The Primary and Community Mental Health Transformation programme
- Lived Experience Research partnership
- Governor participation in key areas of work, coproduction, strategy and service development including with Governor colleagues across the system around the new duties placed upon them through the Health and Social Care Act and associated requirements

### 2.12.10 Membership

Foundation Trust status provides an opportunity for the Trust to closely link with, and be influenced by, the people who live in the communities that we serve via our Governors and Members. The Trust's membership is an essential and valuable asset and is well represented by the Council of Governors. This is reflected in the diversity of the constituencies into which our membership base is divided.

Our aim is to maintain and further develop a membership that involves and reflects a wide representation of our local communities. Engaging with members and the public ensures that the views of local people and those further afield are taken into account and this helps to improve the experiences of staff, services users and carers. During 2024/25 we will work with our governors and colleagues in engagement, volunteering and research to input into a wider community engagement strategy.

### 2.12.11 Membership recruitment and engagement

Communication and engagement with members, takes place through a variety of channels and these include:

- Staff extranet
- SHSC website
- Through the new membership database
- Digital media
- Local media
- Annual Members Meeting
- Links with community groups
- Engagement via our Governors

During 2023/24 we procured a new digital membership database and support service which will enable more effective engagement with the membership and will provide an opportunity to evaluate input and progress with recruitment against local population demographics, which will in turn support us to focus on areas of under-representation. This is part of a planned refresh of the membership strategy work, which began in 2023/24 with an externally supported Governor development session where we explored linking in with the engagement and experience team, volunteer and research teams. This work will be taken forward in 2024/25 and will feed into the planned refresh and development of an involvement and communications strategy alongside development of an overarching approach to community engagement.

## 2.13 Remuneration Report

### 2.13.1 Annual statement on remuneration

The Board Remuneration and Nomination Committee has met on 8 occasions during the year and considered the following matters:

- CEO succession planning, recruitment and appointment of the new Chief Executive
- SHSC constitution – proposed changes regarding the composition of the Board of Directors
- Executive Director succession planning
- Executive Director recruitment approach and materials for the roles of Executive Director of nursing professions and quality, Director of Strategy and Director of Operations
- Executive Directors' Appraisals 2022-23 and Objectives 2023-24
- Pay award for SHSC Executive Directors and Very Senior Managers outside of Agenda for Change
- Review of the Terms of Reference
- Review of the Work Programme
- Annual Review of Effectiveness and Annual Report from the committee to the Audit and Risk Committee and the Board
- SHSC response to the Messenger Report, specifically related to CEO / Executive Directors

No significant changes to existing levels of executive pay were made beyond national recommendations or where these were attached to interim arrangements.

Salma Yasmeen

Chief Executive      Date: 26 June 2024

### 2.13.2 Executive Directors' remuneration

The Remuneration and Nominations Committee of the Board of Directors comprises the Non-Executive Directors. The committee is chaired by Sharon Mays, the Trust Chair. The committee is responsible for supporting and approving the recruitment of Directors to Board, determining the remuneration and terms and conditions of service of the Directors (including the Chief Executive) to ensure that they are properly rewarded having regard to the Trust's circumstances. The Chief Executive and the Director of People attend the committee's meetings by invitation in an advisory capacity.

The committee meets regularly throughout the year to make decisions on the appropriate remuneration and terms and conditions of service of the Directors, and any Very Senior Manager outside of agenda for change. These terms and conditions are determined by the committee and include all aspects of remuneration, provisions for other benefits (such as pensions and cars) and arrangements for termination of employment or other contractual terms.

The committee is responsible for ensuring the Chief Executive and Executive Team performance is monitored through the Trust appraisal process and taken into consideration if salary increases above national recommendations are being considered. During 2023/24, the committee has delivered its key responsibilities as

set out in the terms of reference, including consideration of executive portfolios and executive team appointments or exit arrangements, and remuneration thereof. This reflects the changes in staffing in the Executive team, including the interim arrangements for covering the role of the Executive Medical Director and substantive recruitment to the Director of Strategy and the Director of Operations.

<b>Executive roles</b>	<b>Postholder and Start date</b>
Chief Executive	Salma Yasmeeen, July 2024 (Jan Ditheridge resigned the role June 2023)
Executive Director of Nursing, Quality, and professions	Salli Midgely, Interim Executive Director for Nursing and Professions from January 2023 (substantive from June 2023)
Executive Director of Finance	Phillip Easthope, Executive Director of Finance January 2016
Director of Operations (non-voting)	Neil Robertson January 2023 (substantive March 2024)
Director of Corporate Governance (non-voting)	Deborah Lawrenson April 2022
Director of Strategy (non-voting)	James Drury January 2024 (Pat Keeling retired July 2023)
Executive Director of People	Caroline Parry January 2021
Executive Medical Director	Helen Crimlisk, Interim from March 2024. Mike Hunter resigned the role February 2024

The Chief Executive undertakes annual appraisals with all members of the Executive team, and progress on objectives is assessed at monthly one-to-one meetings with each Director. The Board's Remuneration and Nomination Committee reviews the remuneration of Directors annually, considering information on remuneration rates for comparable jobs in the National Health Service.

The remuneration levels for Directors are referenced to the Chief Executive's level of remuneration, any increases determined for the Chief Executive and the associated Annex A pay ranges. Performance-related pay is not applied under current arrangements. The outgoing Chief Executive received a retention payment, following retire and return and the current Chief Executive on appointment. The payments made are disclosed in table A and are in line with the Very Senior manager pay guidance , published by NHSE.

The salary component for Directors supports the short and long-term strategic objectives of the Trust. It assists us in attracting and retaining senior managers who have the necessary skills and experience to lead the Trust and take forward the identified objectives. The salary is paid through our normal payroll processes. Salaries are set considering national guidance for Very Senior Managers (including Annex A), benchmarking information and the relationship with the salaries available to other staff. There is provision on termination of the contract, for the payment of salary in lieu of outstanding leave. Two posts in the Executive Team attract a salary exceeding the £150,000 threshold warranting specific mention – these are the Chief Executive and the Executive Medical Director (this salary includes the medical consultant element of the role)

### 2.13.3 Non-Executive Directors' remuneration

It is for the Council of Governors, in a general meeting, to determine the remuneration, allowances and other terms and conditions of office of the Chair and the Non-Executive Directors, taking into account the recommendations made to it by the Nomination and Remuneration Committee.

It is the responsibility of the Council of Governors' Nomination and Remuneration Committee to ensure performance is monitored for the Chair and Non-Executive Directors. The committee may, in appropriate cases, or, if specifically requested by the Council of Governors to do so, report its findings to the Council. Details of the activities of the Nominations and Remuneration Committee for the past year are reported on in Section 2.12.7 of this report.

Details of the remuneration paid to all of the Directors during 2022/23 and 2023/24 are shown in Table A in the next section 2.13.4. The policies applied, and descriptions of these policies are included in Table B. The Non-Executive Directors' duration of office is reported in Section 2.4.2 of this report.

### 2.13.4 Directors' remuneration and pension entitlements

#### Directors' remuneration and pension entitlements

Executive directors are members of the NHS-defined benefit pension scheme managed by NHS Pension Authority.

**Table A – Salaries and Allowances 2023/24**

Name and title	Period 01.04.23 to 31.03.24					
	Salary and Fees (bands of £5,000) £'000	Taxable Benefits (rounded to the nearest £100) £	Annual Performance Related Bonuses (bands of £5,000) £'000	Long Term Performance Report Bonuses (bands of £5,000) £'000	Pension Related Benefits (bands of £2,500) £'000	Total (bands of £5,000) £'000
S Yasmeen, Chief Executive (from 1st July 2023)	120 - 125	1,300	-	-	32.5 - 35	150 - 155
J Ditheridge, Chief Executive (left 30th June 2023)	55 - 60	-	-	-	-	55 - 60
P Easthope, Executive Director of Finance, IMST and Performance	130 - 135	-	-	-	-	130 - 135
Dr M Hunter, Executive Medical Director (to 29th February 2024)	180 - 185	14,300	-	-	-	195 - 200
J Drury, Director of Strategy (from 1st January 2024)	25 - 30	-	-	-	2.5 - 5	30 - 35



P Keeling, Director of Strategy (left 31st July 2023)	35 - 40	-	-	-	-	35 - 40
D Lawrenson, Director of Corporate Governance and Board Secretary	100 - 105	-	-	-	-	100 - 105
S Midgley, Executive Director of Nursing and Professions	125 - 130	-	-	-	-	125 - 130
C Parry, Executive Director of People	100 - 105	2,700	-	-	25 - 27.5	130 - 135
N Robertson, Director of Operations and Transformation	120 - 125	-	-	-	-	120 - 125
H Crimlisk, Interim Medical Director (from 1st March 2024)	10 - 15	-	-	-	2.5 - 5	15 - 20
S Mays, Chair	45 - 50	-	-	-	-	45 - 50
A Dray, Non-Executive Directors	10 - 15	-	-	-	-	10 - 15
H Smith, Non-Executive Directors	10 - 15	-	-	-	-	10 - 15
Dr O Fadahunsi-Oluwole, Non-Executive Directors	10 - 15	-	-	-	-	10 - 15
Prof. B Stone, Non-Executive Directors	5 - 10	-	-	-	-	5 - 10
O McLellan, Non-Executive Directors	10 - 15	-	-	-	-	10 - 15
M Dundon, Non-Executive Directors	10 - 15	-	-	-	-	10 - 15

All Pension related benefits' shows the increase in 'lifetime' pension which has arisen in 2023-24. The sum reported reflects the amount by which the annual pension received on retirement age has increased in 2023-24, multiplied by 20 (the average number of years a pension is paid to members of the NHS scheme following retirement). 'All pension related benefits' exclude employee contributions as directed in the Finance Act 2004.

Where a salary amount sits exactly on a pay boundary then the salary is reported at the lower band. For example, if an employee had a salary of £50,000 they would be shown in the salary band (£'000) 45-50.

Where an employee has been in post for part of the year, their pay and pension amount is time apportioned to reflect time in post. Any start and end dates are shown in the table.

J. Ditheridge and P. Keeling chose not to be covered by the pension arrangements during the reporting year.

Name and title	Period 01.04.22 to 31.03.23					
	Salary and Fees (bands of £5,000) £'000	Taxable Benefits (rounded to the nearest £100) £	Annual Performance Related Bonuses (bands of £5,000) £'000	Long Term Performance Report Bonuses (bands of £5,000) £'000	Pension Related Benefits (bands of £2,500) £'000	Total (bands of £5,000) £'000
J Ditheridge, Chief Executive (retired 31st August 2022, returned 15th September 2022)	145-150	-	-	-	-	145-150
P Easthope, Executive Director of Finance, IMST and Performance	125-130	-	-	-	32.5-35	160-165
Dr M Hunter, Executive Medical Director	180-185	13,900	-	-	125-127.5	325-330
P Keeling, Director of Strategy (from 1st February 2022)	115-120	-	-	-	-	115-120
D Lawrenson, Director of Corporate Governance and Board Secretary (from 4th April 2022)	95-100	-	-	-	40-42.5	135-140
S Midgley, Interim Executive Director of Nursing and Professions (from 3rd January 2023)	25-30	-	-	-	45-47.5	70-75
B Murphy, Executive Director of Nursing, Professions and Operations (change of role from 31st December 2022 and left 9th February 2023)	90-95	-	-	-	160-162.5	255-260
C Parry, Executive Director of People	100-105	-	-	-	25-27.5	125-130
N Robertson, Interim Executive Director of Operations and Transformation (from 3rd January 2023)	25-30	-	-	-	2.5-5	30-35
S Rudd, Interim Director of Corporate Governance (left 7th May 2022)	10-15	-	-	-	-	-
S Mays, Chair	45-50	-	-	-	-	45-50
A Dray, Non-Executive Director	10-15	-	-	-	-	10-15
M Dundon, Non-Executive Director (from 1st March 2023)	0-5	-	-	-	-	0-5
Dr O Fadahunsi-Oluwole, Non-Executive Director	10-15	-	-	-	-	10-15

O McLellan, Non-Executive Director (from 1st July 2022)	5-10	-	-	-	-	5-10
R Mills, Non-Executive Director (left 28th February 2023)	10-15	-	-	-	-	10-15
H Smith, Non-Executive Director	10-15	-	-	-	-	10-15
Prof. B Stone, Associate Non-Executive Director	5-10	-	-	-	-	5-10

**Table B – Senior manager’ remuneration – future policy table**

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

Note: There were no new components of the remuneration packages. There were no changes made to existing components of the remuneration packages. The executive directors’ remuneration levels are referenced to the Chief Executive’s and any increases set through the Remunerations and Nominations Committee. The

remuneration for all other employees of the Trust are set by Agenda for Change or other relevant agreed contractual arrangements.

Three executive directors leased a vehicle through the Trust's Salary Sacrifice Lease Car Scheme (S Yasmeen, Dr M Hunter and C Parry).

### 2.13.5 Fair Pay Disclosures

	01 April 2023 to 31 March 2024	01 April 2022 to 31 March 2023
Band of highest paid director's total (remuneration £000)	210-215	195-200
Median total remuneration	27,596	26,282
Ratio of median remuneration to midpoint of the highest paid director's band	7.7	7.5

NHS foundation trusts are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the organisation in the financial year 2023/24 was £212,500 (2022/23, £197,500). This is a change between years of 8%.

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

For employees of the Trust as a whole, the range of remuneration in 2023/24 was £10,300 to £270,000. This includes 1 month of the consultant pay award cost which takes effect from 1st March 2024. If the full year effect of the consultant pay award was applied the reported range would be £10,300 to £276,000. The comparative remuneration range for 2022/23 was £9,400 to £270,000. The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 5%.

One employee received remuneration in excess of the highest-paid director in 2023/24. The highest paid employee in 2023/24 is a consultant who worked part time and their annualised costs came out as the highest. This consultant is employed by the Trust but seconded part time to NHS England. The same employee was also the highest paid employee in 2022/23. The pay value quoted covers both the pay whilst working for the Trust along with the secondment work, which is recovered by the Trust, an element for clinical excellence award and consultant pay award.

### 2.13.6 Fair Pay Multiples

#### Pay ratio information

	Pay data	25% employees v mid point highest paid director	50% employees v mid point highest paid director	75% employees v mid point highest paid director
	£	£	£	£
<b>2023/24</b>				
<b>Highest paid director</b>				
Basic and allowances	129,503	129,503	129,503	129,503
<b>Pay and benefit</b>	<b>212,500</b>	<b>212,500</b>	<b>212,500</b>	<b>212,500</b>
<b>All employees</b>				
Basic and allowances	27,596	22,383	27,596	42,618
<b>Total pay and benefit</b>	<b>27,596</b>	<b>22,383</b>	<b>27,596</b>	<b>42,618</b>
<b>Ratio (pay and benefits)</b>		<b>9.5</b>	<b>7.7</b>	<b>5.0</b>
<b>2022/23</b>				
<b>Highest paid director</b>				
Basic and allowances	118,267	118,267	118,267	118,267
Pay and benefit	197,500	197,500	197,500	197,500
<b>All employees</b>				
Basic and allowances	26,282	21,318	26,282	40,588
<b>Total pay and benefit</b>	<b>26,282</b>	<b>21,318</b>	<b>26,282</b>	<b>40,588</b>
<b>Ratio (pay and benefits)</b>		<b>9.3</b>	<b>7.5</b>	<b>4.9</b>

#### Year movements %

Highest paid director	8%	8%	8%	8%
All employees	5%	5%	5%	5%

#### 2.13.7 Highest Paid Director Comparator (using midpoint of band)

	2023/24	2022/23	% change
	£	£	
Total Pay and Benefits	212,500	197,500	8%

The Fair Pay Disclosures in section 3.2.5 uses annualised costs where employees are part time. This section also includes the gross staff cost when employees are on secondment. The Directors Remuneration and Pension Entitlement section 2.13.4 uses time apportionment when employees are not in post for the full year.

#### 2.13.8 Directors and governor expenses

The table below shows the number and aggregate value of expenses paid to Directors and Governors for 2023/24 and prior year 2022/23.

Role	Number of individuals who held office at any point during the year		Number who claimed expenses during the year		Amount claimed in total £00	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Governors	31	33	0	0	0	0
Directors	12	16	4	8	6	33

Please note that values are in hundreds of pounds (eg. 1 = £100)

### Pension benefits 2023-2024

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

Name and title	Real increase in pension at pension age  (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 2024  (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2024  (bands of £5,000) £000	Cash equivalent transfer value at 31 March 2024  £000	Cash equivalent transfer value at 31 March 2023  £000	Real increase in cash equivalent transfer value  £000
S Yasmeen, Chief Executive (from 1st July 2023)	0 - 2.5	0	30 - 35	45 - 50	604	437	80
P Easthope, Executive Director of Finance, IMST and Performance	0	30 - 32.5	35 - 40	95 - 100	736	544	119
Dr M Hunter, Executive Medical Director	0	12.5 - 15	50 - 55	140 - 145	1,188	916	144
J Drury, Director of Strategy (from 1st January 2024)	0 - 2.5	0	20 - 25	55 - 60	501	444	2
D Lawrenson, Director of Corporate	0	7.5 - 10	30 - 35	85 - 90	813	671	60

Governance and Board Secretary							
S Midgley, Executive Director of Nursing and Professions	0	0 - 2.5	75 - 80	210 - 215	1,806	1,484	155
C Parry, Executive Director of People	0 - 2.5	0	10 - 15	0	185	121	37
N Robertson, Director of Operations and Transformation	0	30 - 32.5	35 - 40	100 - 105	871	644	145
H Crimlisk, Interim Medical Director (from 1st March 2024)	0 - 2.5	0	60 - 65	170 - 175	94	1,424	-1,476

P Easthope, M Hunter, D Lawrenson, N Robertson and S Midgely are affected by the Public Service Pensions Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed in this table but are substituted with a zero.

In addition to the 'Public Sector Pension Remedy' referenced above, the pension calculation also uses an inflation value of 10.1% on previous year values which can make previous pension, lump sum and CETV values appear to have decreased in 2023/24. Where these values are negative they are shown as zero.

Pensions figures included in the above table are for Senior Managers that have pensions paid directly by SHSC and include all of their NHS Service not just pension payments that relate to 2023-2024.

Where an employee has been in post for part of the year, their pension amount is time apportioned to reflect time in post. Salma Yasmeen, Dr Mike Hunter, James Drury, and Dr Helen Crimlisk were in post for part of the year.

S Mays, J Ditheridge and P Keeling chose not to be covered by the pension arrangements during the reporting year.

Dr H Crimlisk has no CETV applicable for 1995 scheme in the current year.

### Pension benefits 2022-2023

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 2023  (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2023  (bands of £5,000) £000	Cash equivalent transfer value at 31 March 2023  £000	Cash equivalent transfer value at 31 March 2022  £000	Real increase in cash equivalent transfer value  £000
P Easthope, Executive Director of Finance, IMST and Performance	2.5 - 5	0	35 - 40	55 - 60	544	490	21
Dr M Hunter, Executive Medical Director	5 - 7.5	10 - 12.5	45 - 50	110 - 115	916	758	113
D Lawrenson, Director of Corporate Governance and Board Secretary	2.5 - 5	0 - 2.5	30 - 35	70 - 75	671	594	45
S Midgley, Interim Executive Director of Nursing and Professions (from 3rd January 2023)	0 - 2.5	5 - 7.5	70 - 75	190 - 195	1,484	1,234	47
B Murphy, Executive Director of Nursing, Professions and Operations (change of role from 31st December 2022 and left 9th February 2023)	7.5 - 10	17.5 - 20	80 - 85	245 - 250	1,916	1,612	178
C Parry, Executive Director of People	0 - 2.5	0	5 - 10	0	121	90	15
N Robertson, Interim Executive Director of Operations and Transformation (from 3rd January 2023)	0 - 2.5	0	35 - 40	65 - 70	644	447	41
S Rudd, Interim Director of Corporate Governance	0	0	15 - 20	0	270	264	-4



(left 7th May 2022)

### 2.13.9 Service contract obligations

There is a requirement to notify of any outside business interests, contracts or proposed contracts where there is a financial interest. Prior written consent is required for engaging in any other business, profession, trade or occupation. The intellectual property created during the course of employment belongs to the Trust and there is provision for payment to Trust for any remuneration which arises from such intellectual property.

There were no obligations to the Trust from service contracts within senior managers' contracts in 2023/24.

### 2.13.10 Policy on payment for loss of office

There is a requirement on each side to provide six months' written notice. The principles for approaching payment for loss of office will be those arising from the legal obligations of the Trust under normal contractual or statutory provisions. The Trust reserves the right to terminate the contract forthwith for offences of gross misconduct and other similar situations such as serious breach of the contract, becoming bankrupt, being convicted of a criminal offence, becoming permanently incapacitated or becoming disqualified from holding office as an Executive Director.

### 2.13.11 Statement of consideration of employment conditions elsewhere in the Trust

The Remuneration and Nomination Committee took explicit account of the Agenda for Change pay award which was effective from April 2023

## 2.14 Staff Report

### 2.14.1 Staff numbers and staff costs

**Analysis of average staff numbers for full year 2023/24:**

<b>Average number of employees (whole time equivalent basis)</b>	<b>2023/24 Permanent number</b>	<b>2023/24 Other number</b>	<b>2023/24 Total number</b>	<b>2022/23 Total number</b>
Medical and dental	149	9	<b>158</b>	<b>163</b>
Administration and estates	664	11	<b>674</b>	<b>677</b>
Healthcare assistants and other support staff	695	128	<b>823</b>	<b>963</b>
Nursing, midwifery and health visiting staff	505	34	<b>539</b>	<b>524</b>

Nursing, midwifery and health visiting learners	0	0	0	0
Scientific, therapeutic and technical staff	351	2	353	242
Healthcare science staff	0	0	0	0
Social care staff	0	0	0	0
Other	7	0	7	19
<b>Total average numbers</b>	<b>2,371</b>	<b>184</b>	<b>2,555</b>	<b>2,588</b>
<b>Of which:</b>				
Number of employees (WTE) engaged on capital projects	32	7	39	12

### Staff costs

	Permanent	Other	2023/24 Total	2022/23 Total
	£000	£000	£000	£'000
Salaries and wages	91,895	5,791	97,686	94,786
Social security costs	9,975	0	9,975	9,441
Apprenticeship levy	526	0	526	470
Employer contributions to NHS pensions	11,941	0	11,941	10,993
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	5,256	0	5,256	4,835
Pension cost - other	359	0	359	159
Temporary staff	0	7,726	7,726	9,901
<b>Total gross staff costs</b>	<b>119,952</b>	<b>13,517</b>	<b>133,469</b>	<b>130,585</b>
Recoveries in respect of seconded staff	0	0	0	0
<b>Total staff costs</b>	<b>119,952</b>	<b>13,517</b>	<b>133,469</b>	<b>130,585</b>
<b>Of which</b>				
Costs capitalised as part of assets	1,601	833	2,434	1,672
<b>Total staff cost excluding capital costs</b>	<b>118,351</b>	<b>12,684</b>	<b>131,035</b>	<b>128,913</b>

Below is a breakdown of Directors, Senior Managers and Employees.

Gender Split (Headcount)	2023/24 Male	2023/24 Female

Director	7	9
Senior manager (Incl. VSM)	74	197
Employees (excluding above)	603	1885

### 2.14.2 Sickness absence

The sickness absence rates for the Trust can be found on the NHS Digital website at <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates>

### 2.14.3 How we support equality, diversity and inclusion (equality report)

We publish separate reports focused on our diversity and inclusion policies, initiatives and longer-term ambitions, these reports include our performance against national targets, barriers we have identified and our plans to overcome them. Our reports are published on our website.

- Our Equality Diversity and Inclusion Strategic Overview 2020 - 2024 includes our Equality Objectives and how these align with the NHS Equality Delivery System
- We publish a separate [Annual Equality and Human Rights Report](#) which includes information on our progress against these each year
- Our [Annual Workforce Disability Equality Standard Report](#) outlines our actions on Disability equality
- Our [Annual Workforce Race Equality Standard \(WRES\) Report](#) outlines our actions on race equality.

Over the last year we have made good progress:

- Our gender pay gaps have reduced year on year with more women moving into senior roles in our organisation.
- We have made progress in significantly improving the likelihood of ethnically diverse staff in our organisation moving into senior positions in our non-clinical areas.
- We have listened to the lived experience of members of our Disabled Staff network group and developed a new pathway for staff to receive equipment and software required as Reasonable Adjustments.
- We started to look at the health inequalities for our staff which will help us to take forward the new NHS Equality Diversity and Inclusion [High Impact Actions](#) published in June 2023
- Progressed work to improve ethnic minority community experience of care in mental health services through implementation of the national Patient and Carers Race Equalities framework (PCREF)

However, despite progress made we still have work to do, change is not happening quickly enough and the experience of our disabled staff and staff experiencing racism continue to be key areas we are working to improve. The level of information we have about people who use our services in terms of sexual orientation and

disability is particularly low. In 2023 we took a collaborative approach to reviewing areas we want to improve and agreed a new set of Equality Objectives and developed and published our 2023 Equality Delivery System (EDS) report. The EDS report focused on three service areas, a deep dive into how we have embedded Inclusive Leadership into our organisation systems and processes, and the extent to which we have addressed wellbeing for staff sharing protected characteristics.

You can read more about these areas in the reports we publish at [www.shsc.nhs.uk/about-us/equality-diversity-and-inclusion](http://www.shsc.nhs.uk/about-us/equality-diversity-and-inclusion)

#### **2.14.4 Involving Our Staff Network Groups**

We have six staff network groups, to support our staff networks to be involved in decision making we have a Chairs of the Staff Networks Group which has met regularly in 2023. In 2023 the group proposed the development of a Staff network group Policy Group, this is now in place to support our Staff Networks in influencing policy development and review. During the year, our Staff Network Group chairs continued to meet with members of our Board and had individual meetings with our Chief Executive.

The Networks have supported us in a range of ways as highlighted below and including co production of policies; development of our inclusion statement and our reasonable adjustments programme. Our Staff Networks Conference was aimed at stimulating debate and dialogue about intersectionality and cross network partnerships.

Highlights from 2023/24:

- In 2023 we held our first Staff Networks Conference which was a great success with all networks contributing time and expertise. The conference highlighted areas such as the experience of neurodivergent staff and all members experience of micro-aggressions.
- Our Staff Networks have worked in collaboration with networks in other NHS organisations in the region and taken part in a programme for Staff Network Chairs.
- Our Rainbow Staff chair and network members worked with our senior leaders to agree a statement on our organisation position on 'conversion practice'.
- Our Staff Network Policy Group worked with us to do an in depth update of our:
  - Affirming gender Identify in the Workplace Policy
  - Equity in the Workplace Policy, and
  - Disabled Staff Policy

#### **2.14.5 Supporting disabled employees**

We continue to be a Disability Confident Employer including offering a guaranteed interview to disabled applicants who meet the essential requirements of the role.

We use Trac (recruitment system) to advertise our roles, this allows us to keep personal information confidential during shortlisting but also provides a flagging

system so we know if a person should be considered under our guaranteed interview policy.

We have a Disabled Staff Policy setting out our policy approach which focuses on a social model of disability, we regularly include lived experience as an essential and desirable criterion in many of our roles. In 2023 we reviewed our Disabled Staff Policy and updated it following engagement with members of our Disabled Staff Network Group.

In 2023 we have progressed a number of actions to improve access to Reasonable Adjustments for Disabled Staff including working with Access to Work in Sheffield to provide staff training, changing the way we purchase software and equipment and developing staff and manager guidance. We also worked with colleagues in the **Integrated Care System** (ICS) and regionally to deliver a regional event focused on Reasonable Adjustments.

Our policy supports the provision of adjustments and Disability Related leave.

Our 2023 Workforce Disability Equality Standard (WDES) report provides details of the percentage of disabled staff in our organisation in different pay bands and their experience in our organisation, the report also highlights our 2023/24 action on disability, this is coproduced with our Disabled Staff Network Group.

You can read this report on our website at

<https://www.shsc.nhs.uk/sites/default/files/2022-11/Workforce%20Disability%20Equality%20Standard%20Report%20and%20Action%20Plan%202022.pdf>

### 2.14.6 Modern Slavery

We take a zero tolerance approach to Modern Slavery and Human Trafficking and have taken a number of steps to ensure that it does not take place in any part of our supply chains.

Any identified concerns regarding Modern Slavery and Human Trafficking are escalated as part of the organisational safeguarding process working in conjunction with our partner agencies.

Our full modern slavery statement is published on our website pursuant to section 54 of the Modern Slavery Act 2015: <https://www.shsc.nhs.uk/about-us/statements-and-reporting> This includes a list of the actions we have already taken.

### 2.14.7 Staff engagement and consultation

We work in partnership with Staff Side, the Trust Union representatives, and govern our consultation and engagement through the Joint Consultative Forum (JCF), Joint Policy Group (JPG) and, for medical staff, the Joint Local Negotiating Committee (JLNC). In addition, there are specific arrangements put in place for particular issues or topics. These have included strike action committees, bargaining forums to review pay for Bank workers, and career pathways. We continue to work closely in partnership with Staff Side who have held a place on key working groups, including our Staff Health and Wellbeing Group. We work closely with the British Medical

Association (BMA) to respond to national NHS decisions and Local Clinical Excellence Awards. Through increasing organisational change we have maintained relations and close working to support staff through collective and individual consultation. A Case for Change will be received by JCF before consultation begins, and all change will be evaluated on completion, with learning used to inform the improvement of future processes. We are in the process of reviewing with staff side our approach and policies around organisational change and reviewing our recognition agreement.

### **2.14.8 Staff Survey - What we have heard from our staff and how we have responded**

The NHS annual staff survey is one of the largest workforce surveys in the world and is carried out every year to improve staff experiences across the NHS. The survey is aligned to the NHS People Promise. The results are also used by NHS England to support national assessments of quality and safety.

Both the NHS annual staff survey that takes place between September and November and the national NHS quarterly people pulse surveys that take place in January, April, and July, provide us with valuable feedback about what it's like to work at SHSC. We use our staff survey results, supplemented by our three People Promise survey results, to inform our staff engagement and experience people programme.

As we evolve and continue to review our results, we focus on the NHS People Promise and the four pillars of the NHS People Plan. Both the staff surveys and people promise surveys, align results to the seven elements of the NHS 'People Promise' and two themes of Staff Engagement and Morale.

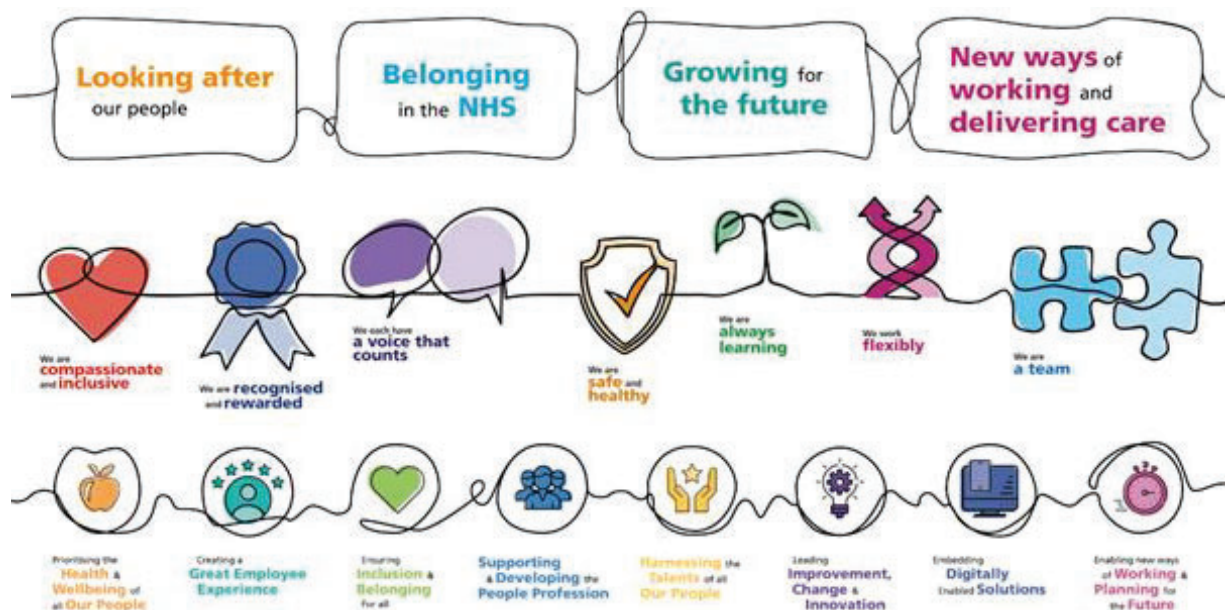
Our overarching focus since the results of the 2022 annual staff survey, has been to improve our 'advocacy' scores. Advocacy is how our staff feel about recommending us as a place to work and for care and the extent to which people feel care is prioritised at SHSC.

This focus has meant that we have seen improvements across all our advocacy scores, which is detailed further on in this report.

In April 2023 we refreshed our SHSC People strategy/plan, recognising the significance that advocacy has on our workforce and the care we provide. It also links to our clinical and social care strategy and recognises the need for SHSC to be the best specialist care provider to all the people we work with. It is person centred and evidence led.

We now structure our SHSC people plans under the four umbrella themes shown below. The feedback we receive under each People Promise helps us to reflect and adapt future people programmes to meet the needs of our people.

- Looking after our people at SHSC
- Belonging at SHSC
- Growing for the future
- New ways of working and delivering care



Source: NHS England

### 2.14.9 Staff Survey 2023 Results

Our 2023 staff survey participation work focussed on encouraging even more people to take part, because everyone has a voice and part to play in informing what and how we do things at SHSC. We're pleased to have had an increase in our participation rate. We want even more people to take part in 2024 and beyond.

We heard from 1329 members of staff (52%) in 2023. An increase of 90 people (4%) from the 2022 staff survey. The staff survey was mandatory for the first time this year for Bank staff. Of the 276 Bank staff who were invited to participate, 77 (28%) completed the survey.

We were pleased to see a significant increase in responses from ethnically diverse staff - from 146 respondents in 2022 to 209 in 2023- making up 15.7% of total respondent for 2023. Response rates from staff reporting a disability or long term health condition also rose from 399 to 464.

This is positive, but we continue to work on building engagement with colleagues who work in harder to reach areas such as our acute and community teams, estates and facilities teams, and representation from all our people as we are committed to ensuring all staff feel that 'everyone counts'.

#### 2.14.10 People Promise

The questions in the NHS Staff Survey are aligned to the People Promise. This sets out the things that would most improve the working experience of NHS staff and is made up of seven elements as seen above plus two additional themes (Staff Engagement and Morale).

The graphic below shows our organisation results in comparison to our scores in 2022. We have made small but positive improvements in all but one area. Our only drop was a marginal one (-0.06%) for 'We are a team'.

We are compassionate and inclusive



We are compassionate and inclusive



We've improved here!

We are recognised and rewarded



We are recognised and rewarded



We've improved here!

We each have a voice that counts



We each have a voice that counts



We've improved here!

We are always learning



We are always learning



We've improved here!

We work flexibly



We work flexibly



We've improved here!

We are safe and healthy



We are safe and healthy

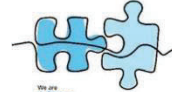


We've improved here!



Sheffield Health and Social Care  
NHS Foundation Trust

We are a team



We are a team

This has gone down



Staff engagement



We've improved here!

Morale



We've improved here!

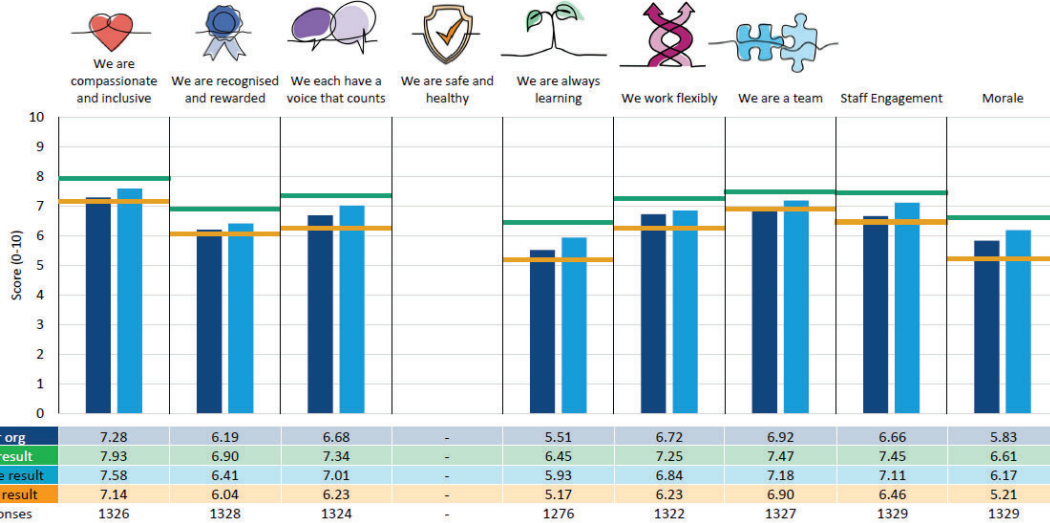
# People Promise

The graphic below shows our position within our national benchmark comparator group of 51 Mental Health and Learning Disability Trusts.

## People Promise elements and themes: Overview



People Promise elements, themes and sub-scores are scored on a 0-10 scale, where a higher score is more positive than a lower score.



Note: 2023 results for 'We are safe and healthy' have not been reported due to an issue with the data. Please see <https://www.nhsstaffsurveys.com/survey-documents/> for more details.

Sheffield Health and Social Care NHS Foundation Trust Benchmark report

12

Source: NHS Survey Co-ordination Centre March 2024

Due to a central processing error with data, "We are Safe and Healthy" is currently not available nationally.



We were pleased to see positive movement in our scoring, but as this was mirrored across the sector, we have not improved our benchmarking position significantly. We remain above the 'worst in group' and below 'best in group'. However, our overall pattern is positive improvement and we continue to build on that.

### 2.14.11 People Promise scores 2021-2023

The following table provides an overview of Trust scores for the period 2021-2023, and measurement of staff experience under the NHS People Promise. The benchmark group is mental health and disability trusts nationally (a group of 51 trusts)

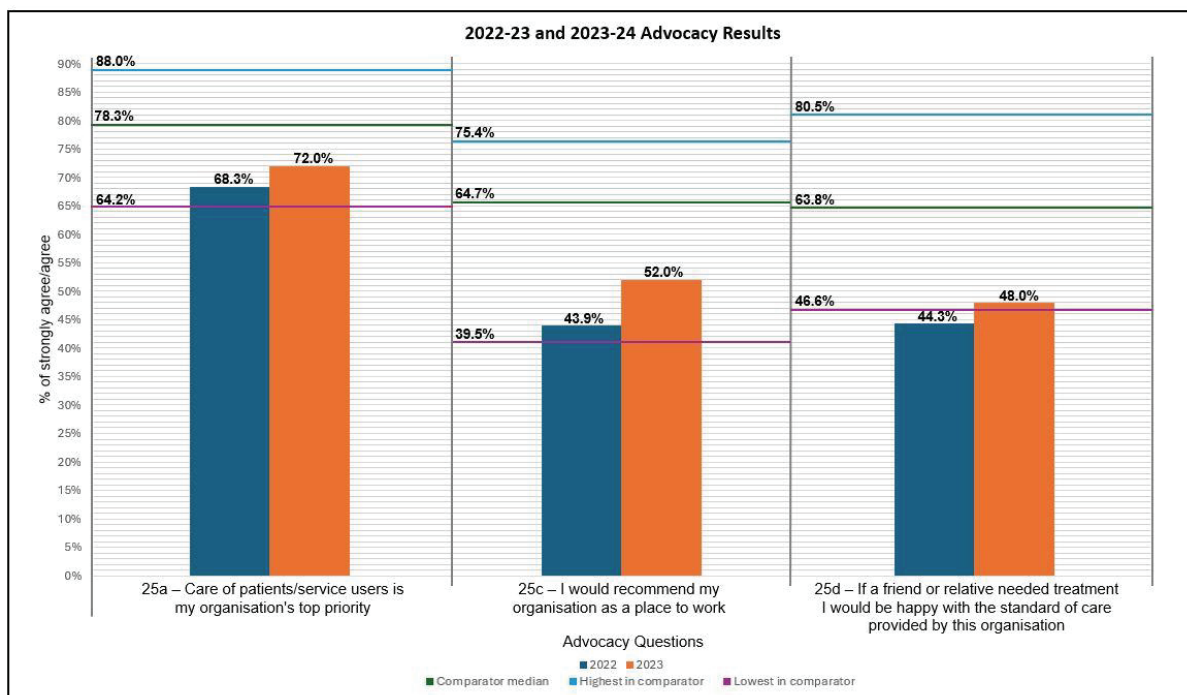
NHS Staff Survey Results 2021 - 2023						
People Promise Elements:	2021		2022		2023	
	SHSC Score	Benchmark Group Score	SHSC Score	Benchmark Group Score	SHSC Score	Benchmark Group Score
We are compassionate and inclusive	7.1	7.5	7.2	7.5	7.3	7.6
We are recognised and rewarded	6	6.3	6	6.3	6.2	6.4
We each have a voice that counts	6.5	7	6.6	7	6.7	7.0
We are safe and healthy	5.9	6.2	5.9	6.2	Not available	
We are always learning	5.4	5.6	5.5	5.7	5.5	5.9
We work flexibly	6.5	6.7	6.5	6.7	6.7	6.8
We are a team	6.8	7.1	7	7.1	6.9	7.2
<b>Themes:</b>						
Staff engagement	6.5	7	6.5	7	6.7	7.1
Morale	5.6	6	5.6	6	5.8	6.2

### 2.14.12 Advocacy

Our Advocacy scores inform the overall Staff Engagement result, along with Motivation and Involvement. We continue to keep the advocacy scores as our primary focus as they are a key indicator of how staff feel about working at SHSC and the standard of care we feel we provide. It is rewarding to see this moving positively in the 2023 results for the second year in a row.

NHS Staff Survey Results 2021-2023				
Staff Engagement	2021	2022	2023	
Advocacy	5.9	5.9	6.2	↑
Motivation	6.7	6.7	6.7	↑
Involvement	7.2	7.0	7.0	↔

The question ‘I would recommend my organisation as a place to work’ is our most improved result across all survey questions, reporting an increase of 8.1% (43.9% in 2022 v 52% in 2023). This increase has resulted in SHSC being the most improved Trust in the country within our national comparator group of 51 Mental Health and Learning Disability Trusts



SHSC's 2023 benchmark report can be found here. [NHS Staff Survey Benchmark report 2023 \(nhsstaffsurveys.com\)](https://nhsstaffsurveys.com)

### 2.14.13 Positive themes from results analysis are:

- We feel that we are making a positive difference to our service users.

- We feel more valued.
- We feel supported with our health and wellbeing.
- More of us are recognising that teams are working well together to achieve their objectives.
- More of us recognise the commitment made by our leaders and organisation in achieving a better work/life balance.

#### 2.14.14 Themes that need improvement:

- Whilst appraisals are happening, these need to be better quality conversations that help us further develop our roles.
- We want to be more involved in decisions that affect our working experience.
- We want to talk more about how effective our team is doing.
- We recognise that further work needs to be done on discrimination.

#### 2.14.15 Examples of activity to improve what working experiences for staff at SHSC, and to improve advocacy are highlighted below:

Using the staff survey data results, we are committed to drive action through 3 key priorities:

- A) **Supporting you** - we will do more to support staff safety, wellbeing and opportunity to give their best. This will be achieved through:
- Develop a network of local Wellbeing Champions.
  - Improve access to wellbeing services for staff in bands 2-5.
  - Launch the SHSC Manager Programme
  - Continue the Team SHSC: Developing as Leaders programme.
  - Personal Development Review and supervision support
  - Working towards the achievement of the national Sexual Safety Charter.
- B) **Supporting our Teams** - we enjoy working in our teams, but there's still more to do on making care our top priority and making SHSC a great place to work. This will be achieved through:
- A Team Engagement and Development Offer.
  - Continued support for our bank staff engagement and experience.
  - Continue to support teams to effectively reduce agency, use bank staff and roster to provide safe cover, quality care and support staff well being
- C) **Everyone Counts** - we are committed to living our values every day and being proactive about anti-discrimination/anti-racism. This will be achieved through:
- Launch of our values into behaviours engagement.
  - Development of resources to support being an active ally with leadership from our Staff Network Groups.
  - Adopting a clear framework for action to support our aim to be an Anti-Racist organisation.
  - Continuing our work on Zero Tolerance approach to abuse and hate.

- Working towards achieving gold level accreditation for the Rainbow Badge.

To help achieve our key priorities, local action planning will also take place that will help further towards improving staff experience and quality of care at team level. The work will be done in collaboration with Staff Side, Staff Network Groups, engaging with our staff and our partners.



#### 2.14.16 Health and safety

We aim to maintain an environment and practices which are safe and supportive for service users, staff and visitors.

We have an established Health and Safety Committee, with representatives from clinical and non-clinical services and trade unions, which is chaired by a director, and supported by the Head of Facilities and Health and Safety.

The role of the Health and Safety Committee is to provide the Trust with an overarching view of health and safety performance and to provide assurance that health and safety risks are identified, addressed and effective mitigation is put in place. The Health and Safety Committee promotes collaborative working throughout the Trust on all matters of health and safety and monitors and escalates any significant health and safety compliance risks to Executive Management Team and the Quality Assurance Committee and ensures the People Committee have oversight.

Work within the last year has included producing an annual report presented to both the Quality Assurance and People Committees, continued training for the Board of Directors, and the introduction of the Violence and Aggression Reduction Group.

#### 2.14.17 Gender Pay Gap

We published our 2023 Gender Pay Gap in May 2023. This can be viewed through the Government Gender Pay Gap reporting portal [Sheffield Health and Social Care NHS Foundation Trust gender pay gap data for 2023-24 reporting year - GOV.UK - GOV.UK \(gender-pay-gap.service.gov.uk\)](https://www.gov.uk/government/statistics/sheffield-health-and-social-care-nhs-foundation-trust-gender-pay-gap-data-for-2023-24-reporting-year)

Our narrative [Gender Pay Gap](#) report was received by our Board in May 2023 and highlights, in detail, progress toward reducing our gender pay gaps.

#### 2.14.18 Trade Union Facility Time

All public-sector organisations that employ more than 49 full-time employees are required to submit data relating to the use of facility time in their organisation as per the Trade Union (Facility Time Publication Requirements) Regulations 2017. The current reporting year is for the 12 months from 1 April 2023 to 31 March 2024. 'Facility time' is the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties and activities as a trade union representative. There is a statutory entitlement to reasonable paid time off which we comply with, for undertaking trade union duties. There is no statutory entitlement to paid time off for undertaking trade union activities.

#### 2.14.19 Trade union representatives and full-time equivalents

1 April 2023 to 31 March 2024

<b>Number of employees who were relevant union officials during the relevant period</b>	18
<b>Full-time equivalent employee number for the Trust</b>	15

#### 2.14.20 Percentage of time spent on facility time

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

Percentage of time	Number of employees
0%	0
1% - 50%	13
51% - 99%	3
100%	2

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

<b>Total cost of facility time</b>	£258,521
<b>Total pay bill</b>	£133,469,000
<b>Percentage of the total pay bill spent on facility time</b>	0.19%

#### 2.14.22 Paid trade union activities

Of these representatives the hours spent on paid facility time were 7983.5 and the hours spent on paid trade union activities was 446.

<b>Time spent on paid trade union activities as a percentage of total paid facility time hours</b>	0.056%
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### 2.14.23 Expenditure on consultancy

Expenditure on Consultancy is £288,000 per the draft accounts. This is subject to audit checks.

### 2.14.24 Off-payroll engagements

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

**Table 1: For all off-payroll engagements as of 31 March 2024, for more than £245 per day:**

<b>Off-payroll engagement</b>	<b>Number</b>
Total number of existing engagements as of 31 March 2024	<b>16</b>
Of which, the number that have existed:	
for less than one year at time of reporting	12
for between one and two years at time of reporting	0
for between two and three years at time of reporting	4
for between three and four years at time of reporting	0
for four or more years at time of reporting	0

**Table 2: For all off-payroll appointments engaged at any point during the year ended 31 March 2024, for more than £245 per day:**

	<b>Number</b>
<b>Number of temporary off payroll workers engaged between 1 April 2023 and 31 March 2024</b>	<b>37</b>
Of which:	
Number not subject to off-payroll legislation	0
Number subject to off-payroll legislation and determined as in-scope of IR35	37
Number subject to off-payroll legislation and determined as out of scope of IR35	0
Number of engagements reassessed for compliance or assurance purposes during the year	0

Number of engagements that saw a change to IR35 status following review	0
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**Table 3: For any off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024:**

	2023/24 number of engagements
Number of off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, during the financial year	0
Number of individuals on payroll and off-payroll that have been deemed 'Board members, and/or, senior officials with significant financial responsibility', during the financial year. These figures should include both on-payroll and off-payroll engagements.	12

#### 2.14.25 Exit packages

The tables below summarise the total number of exit packages agreed during the year and the previous financial year. Included within these are compulsory redundancies and other schemes including MARS (Mutually Agreed Resignation Scheme) applications.

The tables show packages agreed in year, irrespective of the actual date of accrual or payment.

#### 2023/24

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	1	0	1
£10,000 - £25,000	4	0	4
£25,001 - £50,000	5	0	5
£50,001 - £100,000	2	0	2
£100,001 - £150,000	0	0	0
£150,001 - £200,000	0	0	0
>£200,000	0	0	0
<b>Total number of exit packages by type</b>	<b>12</b>	<b>0</b>	<b>12</b>
Total cost (£000s)	12	381	0

#### 2022/23

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

The 2023/24 redundancies relate to staff at Buckwood View following the end of a contract at that site.

The table below discloses non-compulsory departures and values of associated payments. The table shows packages agreed in year, irrespective of the actual date of payment.

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

	2023/24		2022/23	
	Payments agreed	Total value of agreements	Payments agreed	Total value of agreements
	number	£000	number	£000
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Contractual payments in lieu of notice	12	381	0	0
<b>Total</b>	<b>12</b>	<b>381</b>	<b>0</b>	<b>0</b>
<b>Of which:</b>				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	0	0	0	0



### 2.14.26 Staff turnover

Information on our turnover of staff can be found on the NHS Digital website at [digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics](https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics)

### 2.14.27 Countering fraud, bribery and corruption

The Director of Finance is responsible for ensuring compliance with the NHS Counter Fraud Authority strategy for countering fraud, bribery and corruption and the application of the related Government and NHS Counter Fraud Authority adopted Counter Fraud Functional Standards. These have replaced the Standards for Providers. Our Counter Fraud Service is provided by 360 Assurance and the Local Counter Fraud Specialist attends meetings of the Audit and Risk Committee to provide updates on progress against the annual work plan and compliance across the full range of 13 Functional Standards.

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

## 2.15 Code of Governance Disclosures

### 2.15.1 Our commitment to good governance

It is for the Council of Governors, in a general meeting, to determine the remuneration, allowances and other terms and conditions of office of the Chair and the Non-Executive Directors, taking into account the recommendations made to it by the Nomination and Remuneration Committee.

It is the responsibility of the Council of Governors' Nomination and Remuneration Committee to ensure performance is monitored for the Chair and Non-Executive Directors. The committee may, in appropriate cases, or, if specifically requested by the Council of Governors to do so, report its findings to the Council. Details of the activities of the Nomination and Remuneration Committee for the past year are reported on in Section 2.12.7 of this report.

Details of the remuneration paid to all of the Directors during 2022/23 and 2023/24 are shown in Table A in section 2.13.4. The policies applied, and descriptions of these policies are included in Table B. The Non-Executive Directors' duration of office is reported in Section 2.4.2 of this report.

### 2.15.2 Compliance with the provisions of the Code

SHSC has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in 2022, is based on the principles of the UK Corporate Governance Code issued in 2012 [*the revised Code 2022 has been used for the 2023/24 annual report*]. In 2023/24 the Trust complied with all relevant requirements of the Code. The Trust has moved away from four-year terms for non-executive directors to three-

year terms for newly appointed directors. Measures put in place to comply with the requirements of the Care Quality Commission inspections in 2019/20 and 2020/21 are well developed and the organisation has retained System Oversight Framework (SOF) segment three throughout the year. The Trust was recognised for improvements made and moved to system oversight from regional oversight to system oversight with regard to quality reporting.

### 2.15.3 Disclosure of corporate governance arrangements

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

A1.1	Statements on how the Board of Directors and the Council of Governors operate, including high level statements of which types of decisions are to be taken by each one of them and which are to be delegated to the management by the Board of Directors, are contained in Sections 2.3 and 2.12 of this report. A statement describing how any disputes between the Council of Governors and the Board of Directors will be resolved is contained in Section 2.12.5.
A.1.2	The names of the Chair, the Deputy-Chair, the Chief Executive, the Senior Independent Director, Chair and members of the Board of Directors' Remuneration and Nomination Committee, the Council of Governors' Nominations and Remuneration Committee and the Audit and Risk Committee are contained in Sections 2.4, 2.12.7 and 2.7 of this report. The number of meetings of the Board of Directors, its committees and the attendance by individual Directors are shown in Sections 2.6 of this report.
A.5.3	The names of the governors, details of their constituencies, whether they are elected or appointed, the duration of their appointment and details of the nominated Lead Governor are contained in Section 2.12 of this report. The number of meetings of the Council of Governors and the individual attendance by Governors and Directors is also contained in Section 3.1.28.2 [New Foundation Trust Annual Reporting Manual (FT ARM) required disclosure].
B.1.1	<p>The Board of Directors considers the following voting Non-Executive Directors to be independent in character and judgement:</p> <ul style="list-style-type: none"> <li>I. Sharon Mays (Chair)</li> <li>II. Heather Smith</li> <li>III. Anne Dray</li> <li>IV. Dr Olayinka Monisola Fadahunsi-Oluwole</li> <li>V. Owen McClellan</li> </ul>

	<p>VI. Mark Dundon</p> <p>The Board of Directors holds this view in relation to all of the above - mentioned directors for the following reasons:</p> <ul style="list-style-type: none"> <li>• None of them is employed by the Trust or has been in the last five years</li> <li>• None of them has, or has had, within the last three years, a material business relationship with the Trust, either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the Trust</li> <li>• None of them has received or receives additional remuneration from the Trust apart from their director's fee. They do not participate in any performance-related pay as no such scheme is run by the Trust nor are they a member of the Trust's pension scheme</li> <li>• None of them has close family ties with any of the Trust's advisers, directors or senior employees</li> <li>• None of them holds cross-directorships or has significant links with other directors through involvement (with those other directors) in other companies or bodies</li> <li>• None of them is a member of the Council of Governors</li> <li>• None of them has served on the Board of this NHS Foundation Trust for more than 10 years.</li> </ul>
B.1.4	<p>Contained in Section 2.4 of this report is a description of each director's expertise and experience. In addition, it also contains information about the length of appointments of the Non-Executive directors. A statement is contained in 2.3.7 on the Board of Directors' balance, completeness and appropriateness. Information about how Non-Executive Director appointments may be terminated is contained in Section 2.12.7 [new FT ARM required disclosure]</p>
B.2.10	<p>An explanation of the work of the Remuneration and Nomination Committee which oversees the appointment process of executive members of the Board of Directors can be found in Section 2.12.7 of this report. The work of the Nominations and Remuneration Committee of the Council of Governors, including the process it has used in relation to Board of Director appointments together with an explanation of whether a search consultancy was used in the appointment of the Chair or the Non-Executive directors, is contained in Section 2.12.7 of this report.</p>
B.3.1	<p>The Trust Chair's other significant commitments and any changes to them during the year are contained in the Directors' Register of Interests referred to in Section 2.4.3 of this report.</p>
B.5.6	<p>Governors have been kept informed about the Trust plans objectives and strategy including revisions to the strategic</p>

	objectives and detail on engagement as part of system strategy and governance changes. See section 2.12.6 of this report.
New FT ARM disclosure	The Council of Governors has not had to exercise its powers under paragraph 10c of Schedule 7 of the NHS Act 2006 during the financial year.
B.6.1	A statement on how the performance of the Board of Directors, its Committees and individual Directors was evaluated is contained in Section 3.1.15 of this report.
B.6.2	Relating to external evaluation of the Trust Board and governance of the Trust a number of activities have taken place. The Board of Directors undertook a well-led review during the financial year 2022/23 with external support from NHS England. The outcome was reported to the Quality Board (CQC and NHSE) monitoring the improvement programme put in place in response to CQC inspections between 2019 and 2022. At the end of 2022/23 the Trust moved from Regional to System oversight for quality which has been maintained throughout this financial year. Remaining areas for oversight following the CQC visit are now monitored through business as usual reporting via the Board Assurance Committees with recovery plans regularly monitored. In addition, 360 Assurance, the Trust's internal auditors, conducted a number of governance reviews. Following each review detailed actions plans were completed and monitored as appropriate. The Trust has a good record of follow up on internal audit actions.
C.1.1	An explanation from the Directors of their responsibility for preparing the accounts and a statement by the auditors about their reporting responsibilities is contained in Sections 2.3 and 3.0 of this report and the approach taken to quality governance is detailed in the Annual Governance Statement in Section 3.7.
C.2.1	A report that the Board of Directors has conducted a review of the effectiveness of the Trust's system of internal controls is contained in Section 2.17 of this report.
C.2.2	The Trust has an internal audit function. Information on how the function is structured and what role it performs is included in Section 2.17 of this report.
C.3.5	The Council of Governors has not refused to accept the recommendation of the Audit and Risk Committee on the appointment of an external auditor, and this matter is therefore not reported on. However it can be confirmed the Governors have been consulted on and approved the re-appointment of the external auditors within the financial year.

C.3.9	An explanation of the work of the Audit and Risk Committee can be found in Section 2.7.2 which includes any significant statements the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed, It also contains an explanation of how it has assessed the effectiveness of the Trust's external audit process and details of the Trust's external audit contract as well as information about any non-audit work that may have been commissioned.
D.1.3	Details regarding Director remuneration can be found within the Remuneration Report in Section 2.13 within the salaries and allowances table.
E.1.4	Members who wish to communicate with Governors or Directors may do so via the Trust's website where contact details are clearly stated.
E.1.5	Board members, and in particular Non-Executive Directors, develop an understanding of the views of governors and members through their attendance at meetings of the Council of Governors. They are further informed of the activities of the Council of Governors through Board of Directors meeting updates on the affairs of the Council of Governors and Trust's members. Board members are appraised of members' opinions at the Annual Members Meeting where views are canvassed. Further details on how the Board of Directors canvasses the views of governors and members can be found in Section 2.12.9 of this report.
E.1.6	<p>The Board of Directors monitors membership and engagement through monthly reporting processes. Information on monitoring how representative the Trust's membership is and the level and effectiveness of member engagement is contained in Section 2.12.11 of this report.</p> <p>Detailed information regarding the Trust's membership constituencies and their eligibility, membership numbers, the Membership Strategy and steps taken in year to ensure a representative membership are detailed in Section 2.12.4.</p> <p>The Council of Governors has not exercised their power under paragraph 10c of Schedule 7 of the NHS Act 2006, and this matter is therefore not reported on.</p> <p>A statement from the Directors that the business is a going concern, together with supporting assumptions or qualifications as necessary, is contained in Section 1.14 of this report.</p>

Additional FT ARM requirement	Detail on eligibility for membership, numbers of members broken down by constituency and detail on membership strategy and engagement are contained in Section 2.12.
Additional FT ARM requirement (based on FReM requirement)	The declarations of interest for the Board of Directors and Council of Governors outline any directorships or other material interests in companies held by Board members or Governors, where those parties might do business, or seek to do business with the Trust. The registers are publicly available on the website.

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

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

- Trust Constitution
- Standing Orders of the Board of Directors and the Council of Governors
- Standing Financial Instructions and Scheme of Delegation
- Annual Governance Statement
- Codes of Conduct and Standards of Business Conduct
- Annual Operating Plan
- Annual Report

#### 2.15.5 NHS England's NHS System Oversight Framework

NHS England's NHS Oversight Framework provides the framework for overseeing systems including providers and identifying potential support needs.

The framework looks at six themes:

1. Quality of care, access and outcomes
2. Preventing ill health and reducing inequalities
3. Finance and use of resources
4. People
5. Leadership and capability
6. Local strategic priorities

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

The Trust has maintained segment three throughout the financial year.

Current segmentation information for NHS Trusts and foundation Trusts is published on the NHS England website.

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

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

NHS England has given Accounts Directions which require SHSC NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of SHSC NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care's Group Accounting Manual and in particular to:

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

- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

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

As far as I am aware, there is no relevant audit information of which the foundation 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 the *NHS Foundation Trust Accounting Officer Memorandum*.

Salma Yasmeen

Chief Executive      Date: 26 June 2024

## **2.17 Annual Governance Statement**

### **2.17.1 Scope of responsibility**

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that SHSC ('the 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.

### **2.17.2 The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the



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 Trust for the year ended 31 March 2024 and up to the date of approval of the annual report and accounts.

### 2.17.3 Capacity to handle risk

Our Board has overall responsibility and accountability for setting the strategic direction of the Trust and ensuring there are sound systems in place for the management of risk.

Assurance is gained from a wide range of sources that are systematic, supported by evidence and incorporated within a robust governance process. The Board of Directors achieves this through the work of its assurance committees, by audit and other independent inspection, and by systematic collection and scrutiny of performance data, to evidence the achievement of objectives.

This is delivered through the following governance systems:

- Executive Management Team (EMT) - this group has been formally established and strengthened in the financial year as a formal strategic, operational and performance decision making forum under the leadership of the Chief Executive. EMT executes the planning and delivery of the Trust strategy, operational plans and Trust priorities and these are delivered through the values of the Trust. EMT also supports collective action on the key priorities and in managing risks, providing assurance around governance and overseeing reports prior to their receipt through board assurance committees. This will be supported in 2024/25 through the introduction of an Operational Management Group reporting into EMT and providing oversight on all aspects of our operational delivery.
- Board assurance committees - The Board of Directors and its committees receive and scrutinise the risks to achieving our strategic objectives through the Board Assurance Framework and the Corporate Risk registers. The Audit and Risk Committee has delegated responsibility for monitoring the risk management and assurance systems within the Trust.
- Performance reviews - All operational services have a consistent and established integrated performance and quality review framework that ensures day-to-day performance is reviewed. The Executive team carries out tri-annual performance reviews of all departments and this process has been reviewed and strengthened during the financial year.
- Clear improvement priorities - Priorities have been developed, agreed and are represented in our delivery plans. These priorities will ensure clarity of purpose and that each improvement priority has a defined timeframe, milestones and agreed measurements to ensure we can understand the progress made, outcomes delivered and agreed governance oversight.
- Managing risks to the delivery of safe and effective services - The Board Assurance Framework sets out the Trust's strategic objectives, the risk to achieving them and the control and assurance mechanisms that have been put in place to manage risks and deliver the objectives. A healthy culture of

risk discussion is encouraged at all levels to support effective corporate and clinical risk management with risk registers in place to ensure risks are identified, escalated and managed effectively.

- All members of staff have an important role to play in identifying, assessing and managing risk. To support staff, the Trust engenders a fair and open environment. The Trust's culture promotes the reporting of all incidents and staff are encouraged to follow alternative feedback mechanisms, including through the Freedom to Speak Up (FTSU) Guardian, the Guardian of Safe Working and/or through the Trust's FTSU (whistleblowing) policy which was updated during the financial year and reflects national requirements.
- Ensuring the delivery of our plan - We have put in place a range of actions to deliver the strategic priorities and key deliverables against our Annual Operational Plan. The Annual Operational Plan has monitoring arrangements in place explicitly linked with the Board Assurance Framework risks. Progress against the plan is reported to our Executive Management Team, Finance and Performance Committee and received at the Board of Directors on a quarterly basis with a six monthly report received at Council of Governors and engagement with them on priorities. Corrective action is taken where required.
- The internal audit plan includes a yearly review of the Trust's approach to risk management. The recommendations and learning identified from such reviews are taken forward, to support improvements and the embedding of risk management in the Trust. The Audit and Risk Committee maintains oversight of the internal audit plans and internal audit reports are also received at relevant board committees for assurance and for monitoring delivery of actions.

Leadership arrangements for risk management are detailed in the Trust's risk management framework which was updated during the financial year. The risk management framework outlines our approach to risk and the accountability arrangements including the responsibilities of the Board of Directors and its Committees, Executive Directors and all staff.

Over the last year there has been continued commitment to improve corporate and quality governance arrangements. Our focus has been to ensure all parts of our organisation are better aware of the quality, safety and effectiveness of the care we provide and that the right decisions are taken by the right people, at the right time, to maintain and improve quality. This has included development of our approach to the Patient Safety Incident Response Framework (PSIRF).

Work has taken place by the Board of Directors to determine current risk appetite with updated appetite statements captured and reflected on the Board Assurance Framework and the Risk Management Framework. A Risk Oversight Group, reporting to the Audit and Risk committee and the Executive Management Team has been established to strengthen, confirm and challenge around risks on the Corporate Risk register, to support cascading risk appetite statements across the organisation and understanding of requirements and to support development of the review of the Risk Management Framework during the year. The Trust received significant assurance for its risk internal audit.

#### **2.17.4 Risk Management Framework**

The Trust recognises that positive and managed risk taking is essential for growth, development and innovation. Risks are not seen as barriers to change and improvement; instead they are recognised, considered and managed effectively as part of service improvements. The Trust's **Risk Management Framework** was refreshed and approved by the Audit and Risk Management Committee and the Board of Directors in November 2023. It describes the Trust's strategic approach to safety and risk management; it follows the principles of good governance and sets out the Trust's governance arrangements for risk, together with defining levels of authority, accountability, responsibility and escalation for risk management.

Risks are graded according to their severity and likelihood of occurrence, using a 5x5 risk grading matrix based upon guidance produced by the former National Patient Safety Agency with controls and actions identified to mitigate risks down to their target score.

High level risks rated 12 or above, as well as risks which are considered to affect more than one directorate (which may be below 12), are considered for entry onto the Corporate Risk Register (CRR). Risks are recorded on an electronic risk management database (Ulysses), which is separated into teams and directorates with risks held at corporate, directorate or team level. All recorded risks have an accountable individual and are reviewed and monitored by the appropriate operational governance group. Each directorate is required to have a risk register lead responsible for managing and maintaining their risk register.

Risks on the CRR are overseen by lead Directors, received, monitored and undergo confirm and challenge through the Risk Oversight Group, Executive Management Team, and Board assurance committees with the CRR received at each public Board of Directors meeting.

The CRR is administered by the Head of Corporate Assurance supported by a Corporate Risk Officer, reporting to the Director of Corporate Governance (Board Secretary).

During 2023/24 work took place to ensure that all risks scoring 12 or above held locally and not yet escalated onto the CRR, were appropriately reviewed and escalated where required. This was supported by a programme of risk management training with teams and individuals.

The table below outlines the highest corporate risks as at 31 March 2024, actions and mitigations in place to address them:

<b>Highest corporate risks as at 31 March 2024</b>	<b>Example of actions completed or underway</b>
Risk of failure to deliver required level of savings for 2023/24	The Board received detailed updates on delivery of savings required and carry forward implications to the new financial year. This is monitored at the Finance and Performance Committee.

Risk of loss of knowledge and expertise in the Digital team impacting on delivery of key projects	An external review has taken place to support planning for our electronic patient record programme which includes resource management planning. This is monitored at the Finance and Performance Committee.
Demand for Gender services outweighing resource and capacity of the service Demand for ADHD services outweighing resource and capacity of the service	The Board has agreed these risks would be amalgamated into an overarching corporate risk around waiting times for specialist services. This is monitored at the Quality Assurance Committee.
Risk service users could ligate using fixed ligature anchor points in inpatient services	The Transformation programme for ward improvements mitigates this with planned final ward moves due to take place early in 2024/25.

The Board of Directors reviews its risk appetite at least annually, aligning it to revised strategic objectives alongside the development of the Board Assurance Framework. Risk appetite is reflected on the CRR and the Board Assurance Framework.

The Trust's approach is to minimise exposure to risk that impacts on patient safety and the quality of our services. However, it accepts and encourages an increased degree of risk relating to innovation, providing the innovation is consistent with the achievement of patient safety and quality improvements.

Risks are also highlighted via incidents (including serious incidents), service user experience, complaints, concerns, safeguarding issues and claims, with learning lessons reports received at Quality Assurance Committee and Board of Directors.

Staff are actively encouraged to report all incidents and near misses to enable the Trust to learn from such events and improve service user safety and we have a strong reporting culture.

Work is taking place as a system and through the provider collaborative to develop board assurance frameworks and risk registers which will be reflected into those of the Trust where appropriate.

### 2.17.5 Board Assurance Framework (BAF)

The BAF is received at assurance committees throughout the year and monitored, overall, at Audit and Risk Committee and Board of Directors.

It outlines risks to delivery of the Trust's strategic aims and priorities. It is used to monitor levels of assurance received at Board of Directors and in committees regarding the robustness of the Trust's system of internal controls and whether or not the risks are being effectively managed.

All reports received at Board Assurance Committees and the Board of Directors are required to demonstrate links with the BAF and detail on key risks and how these are being mitigated.

The 2023/24 BAF identified thirteen strategic risks. During the year improvements have been made to the framework including the introduction of milestones; more granular detail on levels of assurance and clarity on alignment of gaps with associated actions and owners. The BAF and Risk Management received significant assurance through the internal audit process.

The Trust has published a register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) on the website, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

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 deductions from salary, employer's contributions and payments into the scheme are in accordance with the scheme rules, and that member pension scheme records are accurately updated in accordance with the timescales detailed in the regulations.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. Reporting around Human Rights and Equality, Diversity and Inclusion have continued to be strengthened in 2023/24 and detailed board development sessions have been held.

The Trust has undertaken risk assessments and has plans in place which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme and ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

The Board of Directors has approved the 'Green Plan' as part of its sustainability strategy and commitment to this agenda and an updated Sustainability Strategy was approved in January 2022.

#### **2.17.6 Financial Monitoring oversight arrangements**

The Trust financial governance processes have been strengthened during 2023/24 in response to a downturn in financial delivery against out financial plan. We have amended approval requirements for expenditure and revised financial governance and monitoring arrangements to minimise the overspend against plan. Additional controls implemented include increasing Executive oversight and implementing revised performance reviews, ranging from monthly to quarterly depending on performance; financial recovery plan for all overspending teams/services; implemented a vacancy control panel for all posts; reviewed agency usage and controls to reduce usage and comply with price caps and frameworks and increased controls and procedures regarding the use of staff above funded establishment. These revised arrangements began to be established in the second half of the year and will continue subject to quarterly review whilst we work to reduce the deficit.

#### **2.17.7 Oversight of Transformation Programmes**

The Trust governs its major transformation programmes through a system of programme boards, and a transformation portfolio board which reports to EMT and the Finance and Performance Committee of the Board of Directors. Each major change programme has an executive level Senior Responsible Owner, and a programme board, which is supported by the Programme Management Office. Each programme provides a monthly highlight or exception report to the transformation portfolio board, at which the SROs account for delivery. There is a system of mutual accountability between executive SROs, chaired by the Director of Strategy. The delivery of the overall transformation portfolio is reported to EMT and the Finance and Performance Committee by the Director of Strategy.

During 2023/24 key issues addressed through this process included:

- **Management of dependencies between the Community Mental Health Team transformation programme and the Primary and Community Mental Health transformation**, related to allocation of staffing across crisis and urgent elements of service provision. This was resolved enabling the Primary and Community Mental Health service to go live in April 2024.
- **Therapeutic Environments Programme** adapting its scope and timescales in response to issues encountered with water systems and with changes to the anticipated availability of capital funding. This resulted in revised opening dates for Stanage Ward (opened March 2024), and subsequent delays in works on Burbage and Dovedale 2 wards.
- **Electronic Patient Record (Rio Mental Health EPR system)** - In October 2023 we deployed Rio Mental Health EPR system across 10 services as part of a gradual go live implementation led by a third-party delivery partner, with the second phase intended deployment to include the remaining 64 services. Unfortunately, the implementation encountered significant challenges and we paused the implementation to understand the issues. The Board commissioned an external review to supplement a technical review of the deployment to provide an independent view on lessons learned and ensure these are part of the revised planning for the remediation plan to Tranche 1 services, alongside a comprehensive delivery plan for Tranche 2. Governance arrangements have been strengthened to put in place a highly structured approach including gateway reviews and key points to ensure progress is sufficiently evaluated throughout the programme to mitigate risks by identifying issues early on. We have revised and increased leadership capacity for the programme, further strengthened Executive level clinical leadership through the establishment of the Clinical Safety Design Executive Board responsible for the clinical alignment and safety aspects of the deployment in line with NHS Standard DCB0160: Clinical Risk Management: its Application in the Deployment and Use of Health IT Systems. The Executive and Board oversight of the Programme Board has increased with fortnightly Executive and monthly Board updates whilst we replan the deployment. A revised plan was approved at the April 2024 Board.
- **Disposal of Fulwood site** - The Trust planned to complete disposal of Fulwood site, our previous headquarters, by December 2023. We continue to work with the purchaser to secure revised planning permission for the site under the advisement of the Local Planning Authority. The Board of Directors has been receiving monthly updates on the progress of the disposal and

during 2023/24 following delays in the disposal the Board of Directors agreed changes to the arrangements of disposal.

As we move into 2024/25 the Trust will continue to evaluate the effectiveness of the transformation portfolio board approach and will adapt it to reflect the Integrated Change Framework approach. This may include changes in the composition of the transformation portfolio, as some of our major schemes are completed, and other priorities are added.

### **2.17.8 Emergency Preparedness Resilience and Response (EPRR)**

SHSC have a statutory obligation to ensure that we are a prepared, resilient, and responsive to internal and external critical and major incidents. To achieve this the Trust operates a robust programme to ensure that plans are in place and systems of continuous learning.

In 2023, NHS England revised the core standards that govern EPRR nationally. The standards prior to this had been in place for several years and there was a significant change to the core requirement of an organisation that we had to be assessed on in Quarter 4 of 2023/2024. The assessment against these standards was a pilot across North East, Yorkshire and Humber. On completion of this new assessment process, we were rated as non-complaint, as were all other Trust's and the Integrated Care Board across South Yorkshire.

Following the assessment, an action plan has been put in place that will bring us to compliance over the next two years. The action plan was approved by the SHSC Board of Directors in December 2023, and we are making good progress in improving our position and expect to meet requirements by the autumn of 2025.

As per the requirements of NHS England SHSC have robust governance in place since the changes to the standards, which includes an Accountable Emergency Officer who is a Board Director, a tier 2 EPPR group, which reports quarterly to the Audit and Risk Committee.

SHSC continue to work with local and region partners in preparing for critical incidents, which includes continuous learning and memorandums of understanding to support mutual aid.

### **2.17.9 Public stakeholder involvement in managing risks**

The Trust works to continuously improve its approach to engaging service users, carers, governors and partners to learn from individuals' experiences and enable continuous quality improvements in all areas of our business; this has included particularly effective partnerships with organisations such as Sheffield Flourish to broaden engagement with our communities and through a very active programme of coproduction for all strategies, major plans and initiatives.

Service users, carers, governors and partners engage in the Trust's governance structures and actively take part in groups across the organisation to contribute to planning and service improvement and significant engagement has taken place to support developed of the Patient Safety Incident Framework (PSIRF).

The number of service user and carer networks, co-led by service users and carers, continues to develop and thrive, enabling services to improve their care in line with service user and carer experience feedback.

Partnership working has continued through the South Yorkshire Integrated Care Board, Sheffield Health Care Partnership and that South Yorkshire Mental Health, Learning Disability and Autism Provider Collaborative.

The Trust's Chair took over the lead chair role for the Mental Health, Learning Disability and Autism Provider Collaborative during the year and joined the Board of NHS Providers as a mental health trust chair representative.

As a Foundation Trust we serve the people of Sheffield and beyond and have staff and public members and a broad ranging Council of Governors. The overall role of the Council of Governors is to assist the Trust in its drive to continue to raise standards and to hold our Board of Directors to account on this. The Council of Governors receives updates on the Trust's compliance against regulations and standards and has been asked for views on topics such as updated strategic priorities, planned service changes, annual operating plan; quality account priorities and equality priorities. Governors have also participated in system governance change sessions with colleagues from other organisations.

A Governor's Development Programme was in place throughout the year with detail on activities outlined in section 2.12.11.

In addition to this, Chair drop-in sessions have continued and Governor observation of Board assurance committees was made available for Governors with observers in place for all assurance committees.

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

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

- The Constitution including the Schedule of Matters Reserved by the Board
- Standing Orders, Reservation and Delegation of Powers, incorporated in the Scheme of Delegation and Standing Financial Instructions - reviewed in 2023/24
- The Scheme of Delegation of functions included in the Mental Health Act code of practice - reviewed in 2023/24 with no changes required
- The terms of reference for Board committees and operational committees – reviewed annually
- Our programme and project management arrangements.

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

- The Insight clinical record system – which is planned to be replaced with an electronic patient record system called RIO



- The Ulysses Risk Management System which enables us to manage and report incidents, record risks and supports our serious incident processes
- The e-rostering system which supports safe staffing in our services
- The patient acuity tool which supports staffing numbers and skill mix to maintain effective care and safe staffing
- Our finance system, Integra
- The Electronic Staff Record (ESR) supports the recording, reporting and control of activities related to the training, learning and development of staff.

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

Our performance metrics and their targets are reviewed and refreshed each year as part of our business planning processes and review of our performance framework. Benchmarking and other external sources of information are used as appropriate and when available. Evidence of information being challenged and acted upon is provided in the minutes of Board and its committees which are available to the public.

The Data and Information Governance Group (which developed into a Digital Assurance Group during the financial year) oversaw the Trust's statutory duties and assured quality in regard to data and information, with oversight of information governance under the remit of the Audit and Risk Committee.

#### 2.17.12 Senior Leadership and Structure

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

During the course of the year, I have recruited substantively to all vacant roles in the Executive team to support me to meet my duties.

The following substantive appointments were made in 2023/24 as outlined in section 2.4.1. All other members of the Executive Team were substantive prior to the start of the financial year:

Executive	Role	Date commenced
Salli Midgley	Executive Director of Nursing, Professions and Quality	Interim from January 2023 and substantively appointed from June 2023
James Drury	Director of Strategy	Appointed from January 2024

Neil Robertson	Director of Operations	Interim from January 2023 and substantively appointed from February 2024
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There is a balance of directors with internally and externally focused roles. Director portfolios are regularly reviewed to ensure appropriate balance and capacity is in place to meet the needs of the Trust.

The Council of Governors, Trust Board and Executive team are operating in an environment of external change and wider system pressure where risk is constant and at high level. The Board Assurance Framework as referenced earlier in the AGS is updated to reflect this and will continue to develop as system and collaborative risks are finalised.

### 2.17.13 Staff training

Staff training and development needs with regard to risk management and safety are described in the Trust's Mandatory Training Policy. Staff receive appropriate training relevant to the requirements of their role. All staff receive an introduction to the organisation and core training (risk management, health and safety, equality and human rights, information governance, safeguarding and infection control). More specific training is provided, dependent upon the individual's job role or work location, and includes incident reporting and investigation, Safeguarding Adults and Children, Mental Health Act, Mental Capacity Act, First Aid and Life Support (including resuscitation), Clinical Risk Assessment and Management, Medicines Management and Respect (managing violence and aggression). Development and training needs are reflected in personal development plans (PDPs) over and above mandatory training requirements.

Overall compliance with mandatory training at the end of March 2024 was 87.63% with nine areas being below 80% compliance.

Mandatory training is kept under continuous review with floor to senior level reporting and monitoring in place. Individuals and managers receive reminders throughout the year, individuals can see their own data, and managers are able to see data for their teams.

### 2.17.14 Quality governance arrangements

During 2023/24 we have continued to strengthen and enhance the quality governance arrangements we have in place. We have aligned these activities to our Quality Management System to help us better understand the quality of care provided at a local level and the risks and assurances we hold at a wider organisational and strategic level.

Following the introduction of our Tendable clinical audit platform in 2022/23 to all bed-based services we have worked with teams to assist them in developing local team governance reporting relating to their compliance. This has helped teams to

understand what they are doing well, where practice needs to be improved and to support escalations.

Internal audit assessed our Infection Prevention and Control management with 'significant assurance,' with two low risk actions and one medium risk action identified to strengthen our arrangements.

Learning from a range of governance and assurance processes informs our Quarterly Learning Report and learning hub which is a fully accessible compendium of incident details and learning outcomes. A quarterly learning bulletin is circulated to all staff and shared via the learning hub.

Our Freedom to Speak Up approach also enables learning through staff voice and has clinical executive oversight for any issues pertaining to patient care. Following the Letby verdict, this focus remains and the FTSU guardian meets monthly with the clinical executives to ensure concerns are heard and investigated, maintaining anonymity where required.

#### **2.17.15 Culture and Quality Visits**

It is recognised that any service that delivers patient care can have a closed culture. All services have been assessed for risk of having a closed culture based on the criteria identified within the work completed by Care Quality Commission (CQC) on closed cultures and then prioritised based on risk profile. Due to sickness absence within the team, our schedule for planned visits has not been achieved, however these have been re-established and during 2023/24 12 visits to services took place.

#### **2.17.16 Fundamental Standards of Care (FSoc) Visits**

The FSoC visits take place annually to all bedded services and are designed to measure the extent to which the standards of care set out within key SHSC policies and CQC regulatory requirements are met. The 2023/24 programme of visits took place between October and December 2023. Services are required to develop an action plan to support improvements for the standards they are assessed not to have met. Progress is reviewed through team governance meetings. Services falling below the agreed criteria for the 'Safe' standards receive a further visit prior to the annual assessment.

#### **2.17.17 Board Visits**

Board visits provide our Executive and Non-Executive members of Trust Board with the opportunity to visit services, ask questions and listen to feedback to support assurance reporting.

This year we have reviewed the approach we take for Board visits and increased the opportunities that Board members have to engage and gather feedback from Service Users/Carers and from the staff in services being visited. We have also widened the programme to include non-clinical based services. During 2023/24 approximately 50 Board visits took place which included some visits to non-clinical services.

#### **2.17.18 Directorate Performance Reviews**

The Trust triangulates service performance across a range of indicators relating to care standards, quality, workforce and finance at service level through a performance framework.

Directorate Performance Reviews are chaired by the Director of Finance and attended by members of the executive leadership team. The review provides the opportunity to positively challenge performance in clinical and corporate services across the organisation and to gather insights regarding elements of the CQC well-led domain.

### **2.17.19 Learning from Good Practice**

We continue to review and develop the variety of mechanisms we have to ensure that good practice and lessons learned are shared across our services. Our Quality Assurance Committee receives quarterly learning reports and twice-yearly Quality Assurance and Quality Improvement reports are received at the Committee and at the Board of Directors to support triangulation and thematic review of learning across the Trust.

#### **Operational learning mechanisms**

- Fundamental standard visits for inpatient services - 15 steps challenge accreditation added in 2023/24
- Compliments
- Patient experience feedback including quality of experience surveys, local team level feedback and carer feedback
- Culture and Quality visits for all other clinical services
- Board visits to all clinical and non-clinical teams
- Blue light alerts for safety critical notices into teams
- Incident reviews which support teams to reflect on incidents and draw wider learning
- Learning drawn from complaints and concerns
- Learning from our engagement leads – “You said, we did”
- Bitesize safeguarding online open sessions
- Lessons Learnt Staff Bulletin (Quarterly)
- Mortality Reviews and Structured Judgement Reviews
- Quality Improvement Forum
- Quality Improvement Events E.g. Flow Quality Improvement Collaborative
- Supervision Arrangements (clinical, managerial and safeguarding)
- Service based development forums

## **Governance arrangements**

- Daily Incident Huddle (where all incidents across SHSC are reviewed and follow up agreed). Themes from the month are shared across SHSC teams
- Complaints thematic review
- Claims thematic review
- Prevention of Future Death notices, learning from coroners' court hearings
- Incident Reporting and Investigation (48hr reports, Significant Event Analysis, Patient Safety Incident Investigations) with a weekly investigation panel that review all investigations and reports, support timely delivery, provide critique and challenge to draw out clear learning and improvement
- Section 42 enquiries (safeguarding investigation)
- We have a range of committees and groups which promote shared learning and oversight of quality and risk including:
  - Quality Assurance Committee
  - Clinical Quality and Safety Group
  - Safeguarding Assurance Group
  - Least Restrictive Practice Oversight Group
- Commissioned external reviews to improve safety and encourage innovation
- Flash reporting to the Board of Directors
- Team and clinical directorate governance meeting reports and events
- Clinical Executive Panel (monthly review with directorates of patients whose needs are not being well met by the system)

## **Strategic / Board Oversight**

- Trust review and response to national reports
- Board development learning

### **2.17.20 Information governance and data security**

We have a suite of Information Governance policies which provide a framework for the creation, use, safe handling and storage of all records and information.

The management and monitoring of information risks is the responsibility of the Trust's Senior Information Risk Owner (SIRO) and information risk and incidents are monitored on a monthly basis through the Digital Assurance Group which is accountable to the Audit and Risk Committee. During 2023/24 there were 169 incidents reported, of which four were reported to the Information Commissioner. These incidents were reviewed by the ICO and no further action was required.

Following our June 2023 Data Security and Protection Toolkit (DSPT) submission a plan was agreed with NHS England to ensure an overall outcome of 'Standards Met' by 30 June 2024 which is subject to regular monitoring. The Trust continues to work to implement improvements to enhance our performance against the DSPT standards and make preparations for the move to the new Cyber Assessment Framework due for release by NHS England in August 2024.

Information Governance training is mandated for all staff to complete annually, with new starters required to complete this within five days of commencement in post. This training is supplemented with role/department specific training.

Following on from identification of significant backlogs of both Subject Access Requests (SAR) and Freedom of Information (FOI) requests, a recovery plan was implemented in the year with monthly oversight from the Executive Management Team. This included investment in a new case management system, additional temporary resources and end to end process reviews. This resulted in elimination of accumulated backlogs (approx. 1600 requests in total). We informed the Regulator (ICO) of the work being undertaken to address the backlogs and have kept them updated throughout.

#### **2.17.21 Working in partnership and establishment of the Mental Health, Learning Disability and Autism Collaborative**

In March 2023 the Board approved the arrangements for the formal establishment of the collaborative supported through a committee in common approach. The terms of reference were updated and re-approved in March 2024.

#### **2.17.22 Review of economy, efficiency and effectiveness of the use of resources**

We have a robust committee governance structure in place with the following committees reporting into the Board of Directors:

- Audit and Risk Committee
- Finance and Performance Committee
- Quality Assurance Committee
- People Committee
- Mental Health Legislation Committee
- Remuneration and Nomination Committee

The Board of Directors delegates the day-to-day management of the operational activities of the Trust to Chief Executive supported by the Executive Management Team.

Terms of Reference for all committees have been approved by the Board of Directors, reviews of effectiveness undertaken and annual reports from the committees received in 2023/24.

Regular updates have continued to be provided to the board assurance committees and public Board of Directors on operational efficiency metrics throughout the year,

as described earlier in this report, through the Integrated Performance and Quality Report and Performance Framework and this has been strengthened through the inclusion of new dashboards.

The organisation has reviewed and continues to review its leadership at various levels. The internal leadership development programme launched in February 2022, which aims to bring current and future leaders together to challenge their thinking and learning, has continued throughout the year with positive feedback received from participants and from the sector. This will continue in 2024/25.

Financial sign-off of budgets and performance management arrangements are in place with oversight at Executive Management Team. Budget managers are provided with monthly budget reports for their areas of responsibility to assist them in undertaking this role. Work has taken place to strengthen our arrangements for planning for 2024/25 and the budgets approved and finalised in April 2024. Performance management reviews involve business partners from within the finance directorate to ensure leaders at all levels are properly supported.

Improvement in triangulation of data has continued to take place across the Board Assurance committees with escalation and cross referrals taking place between committees and formally captured through a new tracker, and evidenced through our Alert, Advise, Assure (AAA) reports to the Board of Directors. This approach has also been successfully rolled out as a reporting tool from tier two groups into our tier one board assurance committees.

Recovery plans are received and monitored at the appropriate committees with clear evidence of confirm and challenge taking place.

In June 2023 we outlined at the Health Overview and Scrutiny Sub-Committee at the City Council, our partnership proposals to improve care for people with Learning Disabilities and Autism who need specialist support due to more complex needs. Alongside our Integrated Care Board colleagues, we described options for an accessible, flexible and appropriately intensive community model of care, with an enhanced multi-disciplinary team able to support people to live at home in their communities. The model has been positively received through the Clinical Senate and preparations for launch in 2024/25 are underway.

### **2.17.23 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 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 and I met with internal and external auditors periodically (planned) throughout the year. 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 and its assurance committees as described in this

statement, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Committees provide 'Alert, Advise, Assure' (AAA) reports, alongside the minutes, after each meeting on the significant matters for consideration. These may include issues of specific interest, but will also include control issues or areas where there are gaps in assurance and undertake cross referral across committees which has been a positive addition to our governance arrangements.

The Audit and Risk Committee provides assurance to the Board of Directors through objective review and monitoring of the Trust's internal control mechanism, such as financial systems, financial information, compliance with the law, governance processes and emergency planning among others. It monitors the effectiveness of the systems in place for the management of risk and governance, and delivery of the Board Assurance Framework. The committee is also responsible for ensuring the integrity and security of Trust data.

The **Quality Assurance Committee** provides assurance to the Board of Directors on the quality of care and treatment across the Trust by ensuring there are efficient and effective systems for quality assessment, improvement and assurance, and that service user and carer perspectives are at the centre of the Trust's quality assurance framework.

The **Finance and Performance Committee** provides assurance to the Board of Directors on the management of the Trust's finances and financial risks, and in relation to performance matters which have developed through the year, as well as progress against transformation projects.

The **People Committee** provides assurance to the Board of Directors on the human resource structures, systems and processes that support employees in the delivery of high quality, safe patient care and to ensure the Trust meets its legal and regulatory duties in relation to its employees.

The **Mental Health Legislation Committee** provides assurance to the Board of Directors on statutory and regulatory compliance in respect of Mental Health and Human Rights legislation.

The **Remuneration and Nomination Committee** makes determination of the composition, balance, skill mix and succession planning of the Board of Directors, as well as advising on appropriate remuneration and terms and conditions of service of the Chief Executive, executive directors and directors.

The Non-Executive Directors sit on more than one committee to increase integrated discussions on quality and resource assurance with issues escalated between committees. The Board are kept informed through the AAA reports which is supported by the integrated approach provided through the Integrated Performance and Quality Report (IPQR) received at Committees and Board of Directors.

In previous years our 'Back to Good' programme provided assurance focused on, or related to, areas identified for improvement through our CQC report. This programme closed in August 2023 with monitoring of outstanding actions moving to



Board Assurance Committees oversight and via a new Quality Assurance Report received at the Board of Directors.

The Quality Oversight Board led by regional partners and attended by CQC, has provided external oversight of our 'Back to Good' journey and the Trust has been commended for significant improvements made during the year and has moved to system oversight.

The clinical audit programme also supports my review of the effectiveness of internal control. This is received and approved at the Quality Assurance Committee.

The role of the assurance committees in maintaining and reviewing the Trust's systems of internal control are described above.

The internal audit programme overseen at the Audit and Risk Committee provides a further mechanism for supporting this. 360 Assurance, our internal auditors, identify high, medium and low priority recommendations within their audit reports, which are monitored in an internal audit recommendations tracker and reviewed frequently both internally by the Executive Team and with our auditors.

During the course of the financial year the following internal audit reports were received:

- 2023/24 Data Security and Protection Toolkit – Moderate assurance (issued June 2023)
- 2023/24 Equality, Diversity and Inclusion – Moderate assurance (issued October 2023)
- 2023/24 Risk Management Framework – Significant assurance (issued April 2024)
- 2023/24 Financial ledger – Significant assurance (issued May 2024)
- 2023/24 Workforce data quality – Significant assurance (issued June 2024)
- 2023/24 Clinical Record Keeping – Limited assurance (issued June 2024)
- 2023/24 Capital Planning – significant assurance (January 2024)
- With regard to closure of internal audit actions the Trust ended the year with 87% first follow up and 97% overall follow up compliance on which it has received significant assurance.

In summary, areas of progress across the year include an overall stable executive leadership team with all roles substantively recruited to, and operational leadership arrangements with the right skills and expertise:

- Robust Board of Directors development plan in place over recent years and being refreshed in 2024/25 (which has included external support), alongside Executive team development, Non-Executive development; Governor development and staff leadership and management programmes
- Well established Alert, Assure, Advise (AAA) reports from Committee Chairs to Board of Directors supporting focused discussion on key areas of concern and cross referral of issues between committees
- AAA reporting from tier two groups (groups that report into our board-assurance committees) to the board committees providing annual reports on

effectiveness

- Updating of the BAF for 2023/24 – the document and the assurance provided by it receive confirm and challenge at the Board assurance committees in advance of Board of Directors
- Established risk oversight group providing additional rigour and confirm and challenge with oversight at new Executive Management Team meetings.
- Continued grip around closure of Internal and External Audit actions in a timely way
- Continued and improving performance management review processes
- Embedding of the work of the Back to Good Board into our business as usual – continued focus on closure of outstanding actions through recovery plan monitoring
- Acceleration in our work around driving Quality Improvement with the Board of Directors having received development sessions and regular reports on progress
- External support has continued during the year in supporting our board development and we have commissioned external support in evaluating our stakeholder engagement with a focus in the new financial year around governance, communications and values into behaviour
- Continuous improvement in the quality of our reporting through board assurance committees and Board of Directors with further work planned in the coming year
- Continued triangulation of data and performance information with board and executive visits and through cross reporting from the board assurance committees. This has improved across the board supported by a refreshed and focused Board of Directors visits programme
- Introduction of strengthened corporate communications and communication through our leadership team with the introduction of the formal Cascade
- Continued focus on Policy Governance arrangements with reporting through to board assurance committees as appropriate
- Capturing of action plans and third party reports through our tier one and tier two annual reporting processes up through to the Board of Directors
- Given the concerns raised about the Assessment and Treatment Service (ATS) at Firhill Rise and the receipt of the previous Section 29A enforcement notice, this unit was closed to inpatient usage in September 2021. The unit remains closed to inpatient admissions as outlined in the CQC registration. The site functions as a community service provision and the Health Overview and Scrutiny committee has been updated on, supported and planned next steps in respect of plans for the transformation and delivery of community services provision which is moving forward at pace.
- Our overall CQC rating has remained overall as Requires Improvement. Our current CQC ratings are found here: <https://www.cqc.org.uk/provider/TAH>
- The organisation moved to system oversight at the end of (currently SOF 3) the financial year 2022/23.

- The Board of Directors has monitored delivery of actions identified through the 2022/23 well-led self-assessment and an externally supported well-led review will take place in 2024/25.
- This has been a positive year for the organisation in terms of its internal audit outcomes with the majority of assessments providing moderate or significant assurance.

The Head of Internal Audit (HOIA) provides me with an opinion based on an assessment of the design and operation of the underpinning assurance framework and supporting processes and an assessment of the individual opinions arising from risk-based audit assignments contained within the internal audit risk-based plan that have been reported throughout the year. The assessment has taken into account the relative materiality of these areas and management's progress in respect of addressing control weaknesses.

The Head of Internal Audit Opinion is based on three elements:

- The design and operation of the BAF and strategic risk management arrangements
- The outcome of individual audit reports
- The extent to which the Trust has responded to audit recommendations.

#### 2.17.24 Head of Internal Audit Opinion

I am providing an opinion of **significant assurance** that there is a generally sound framework of governance, risk management and control designed to meet the organisation's objectives, and controls are generally being applied.

**Strategic risk management and Board Assurance Framework** – I am providing an opinion of **significant assurance**.

**Internal Audit outturn** – I am providing an opinion of **moderate assurance**. We have issued one limited assurance opinion and two moderate assurance opinion reviews this year.

**Implementation of Internal Audit actions** – I am providing an opinion of **significant assurance**. The final first follow up rate is 87% and the overall follow up rate is 97%.

***This opinion should be taken in its entirety for the Annual Governance Statement and any other purpose for which it is repeated.***

#### Conclusion

In my opinion, I am assured we have good internal controls in place whilst recognising there is always more work to do. I am assured around the work in place to address any areas of weaknesses in control noted by our Internal Auditors through internal audit reports, and acknowledgement from them of the improvements made in continuing to demonstrate we remain on a positive and demonstrable trajectory of improvement.

To the best of my knowledge, no significant internal control issues have been identified within 2023/24.

Salma Yasmeen

Chief Executive      Date: 26 June 2024

**Section 3.0** Independent Auditor's Report to  
the members of the council of governors of  
Sheffield Health and Social Care NHS  
Foundation Trust

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COUNCIL OF GOVERNORS OF SHEFFIELD HEALTH AND SOCIAL CARE NHS FOUNDATION TRUST**

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Opinion**

We have audited the financial statements of Sheffield Health and Social Care NHS Foundation Trust ("the Trust") for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2024 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by NHS England with the consent of the Secretary of State in February 2024 as being relevant to NHS Foundation Trusts and included in the Department of Health and Social Care Group Accounting Manual 2023/24; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006 (as amended).

### **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 Accounting Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to either cease the Trust's services or 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 Accounting Officer's conclusions, we considered the inherent risks associated with the continuity of services provided by the Trust over the going concern period.

Our conclusions based on this work:

- we consider that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified and concur with the Accounting Officer's 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 above conclusions are 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 Committee and internal audit as to the Trust’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Trust’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected, or alleged fraud.
- Assessing the incentives for management to manipulate reported financial performance because of the need to achieve financial performance targets delegated to the Trust by NHS England
- Reading Board and Audit and Risk Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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 in particular the risk that Trust management may be in a position to make inappropriate accounting entries. On this audit we did not identify a fraud risk related to revenue recognition due to the block nature of the majority of funding provided to the Trust during the year. We therefore assessed that there was limited opportunity for the Trust to manipulate the income that was reported.

We identified a fraud risk related to expenditure recognition, particularly in relation to the completeness of non-pay expenditure. The setting of a control total can create an incentive for management to understate the level of non-pay expenditure compared to that which has been incurred. The Trust is closely monitored by the local Integrated Care System (ICS) and operating within a system that is under pressure financially.

In determining the audit procedures, we took into account the results of our evaluation and some of Trust-wide fraud risk management controls over journal entry posting and recognition of expenditure at the period-end.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included postings made and approved by the same user, unusual cash journals, and unusual expenditure journals around the year-end.
- Assessing whether the judgements made in making accounting estimates were indicative of a potential bias.
- Performing a search for unrecorded liabilities after year-end to identify and potential missed liabilities by reviewing and sample testing bank statements.
- Performing sample testing over invoices received in the period after 31 March 2024 to determine whether expenditure was recognised in the correct accounting period.

### ***Identifying and responding to risks of material misstatement related to 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 Accounting Officer and other management (as required by auditing standards), and discussed the policies and procedures regarding compliance with laws and regulations.

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.

Firstly, the Trust is subject to laws and regulations that directly affect the financial statements, including the financial reporting aspects of NHS legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Trust is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, recognising the nature of the Trust's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Accounting Officer and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### ***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 fraud 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 Accounting Officer is responsible for the other information, which comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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 financial statements.

### ***Annual Governance Statement***

We are required by the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the "Code of Audit Practice") to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2023/24. We have nothing to report in this respect.

### ***Remuneration and Staff Reports***

In our opinion the parts of the Remuneration and Staff Reports subject to audit have been properly prepared, in all material respects, in accordance with the NHS Foundation Trust Annual Reporting Manual 2023/24.



### **Accounting Officer's responsibilities**

As explained more fully in the statement set out on page 127, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to either cease the services provided by the Trust or dissolve the Trust without the transfer of its services to another public sector entity.

### **Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **REPORT ON OTHER LEGAL AND REGULATORY MATTERS**

### **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.

We have nothing to report in this respect.

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

As explained more fully in the statement set out on page 127, the Accounting Officer is responsible for ensuring that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Under Section 62(1) and paragraph 1(d) of Schedule 10 of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in 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 its use of resources are operating effectively.

We planned our work and undertook 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 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 to report to you if any reports to the Regulator have been made under paragraph 6 of Schedule 10 of the National Health

Service Act 2006 because we have reason to believe that the Trust, or a director or officer of the Trust, is about to make, or has made, a decision which involves or would involve the incurring of expenditure which is unlawful, or is about to take, or has taken, a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency.

We have nothing to report in this respect.

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

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

## **CERTIFICATE OF COMPLETION OF THE AUDIT**

We certify that we have completed the audit of the accounts of Sheffield Health and Social Care NHS Foundation Trust for the year ended 31 March 2024 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice.

**Rashpal Khangura**

**for and on behalf of KPMG LLP**

*Chartered Accountants*

1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA  
United Kingdom

28 June 2024



## Section 4.0 Annual Accounts

**THIS SECTION IS SUBJECT TO CONFIRMATION BY NHS ENGLAND**

### **Foreword to the accounts**

#### **Sheffield Health and Social Care NHS Foundation Trust**

These accounts, for the year ended 31 March 2024, have been prepared by Sheffield Health and Social Care NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Service Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

After making enquiries and reviewing independent evaluations, the Directors have a reasonable expectation that the services provided by Sheffield Health and Social Care NHS Foundation Trust will continue to be provided by the public sector for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

Signed:

Salma Yasmeen  
Chief Executive (as Accounting Officer)  
Date: 26.06.2024

## Statement of Comprehensive Income

		2023/24	2022/23
	Note	£000	£000
Operating income from patient care activities	3	135,138	137,970
Other operating income	3.3	24,494	22,571
Operating expenses	6, 8	(168,536)	(160,901)
<b>Operating surplus/(deficit) from continuing operations</b>		<b>(8,904)</b>	<b>(360)</b>
Finance income	10	2,438	1,278
Finance expenses	11	(89)	(97)
PDC dividends payable		(2,513)	(2,226)
<b>Net finance costs</b>		<b>(164)</b>	<b>(1,045)</b>
Other gains / (losses)	12	-	-
Share of profit / (losses) of associates / joint arrangements		-	-
Gains / (losses) arising from transfers by absorption		-	-
Corporation tax expense		-	-
<b>Surplus / (deficit) for the year from continuing operations</b>		<b>(9,068)</b>	<b>(1,405)</b>
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	13	-	-
<b>Surplus / (deficit) for the year</b>		<b>(9,068)</b>	<b>(1,405)</b>
<b>Other comprehensive income</b>			
<b>Will not be reclassified to income and expenditure:</b>			
Impairments	7	(1,251)	(155)
Revaluations	17	174	1,269
Share of comprehensive income from associates and joint ventures		-	-
Fair value gains / (losses) on equity instruments designated at fair value through OCI		-	-
Other recognised gains and losses		-	-
Remeasurements of the net defined benefit pension scheme liability / asset	37	191	3,474
Gain / (loss) arising from on transfers by modified absorption		-	-
Other reserve movements		(135)	(3,982)
<b>May be reclassified to income and expenditure when certain conditions are met:</b>			
Fair value gains/(losses) on financial assets mandated at fair value through OCI		-	-
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	12	-	-
Foreign exchange gains / (losses) recognised directly in OCI		-	-
<b>Total comprehensive income / (expense) for the period</b>		<b>(10,089)</b>	<b>(799)</b>

**Reconciliation between total comprehensive income/expense for the period and the adjusted financial performance**

**Adjusted financial performance (control total basis):**

Surplus / (deficit) for the period	(9,068)	(1,405)
Remove net impairments not scoring to the Departmental expenditure limit	3,982	(1,395)
Remove (gains) / losses on transfers by absorption	-	-
Remove I&E impact of capital grants and donations	172	170
Prior period adjustments	-	-
Remove non-cash element of on-SoFP pension costs	(18)	133
Remove impact of IFRS 16 on IFRIC 12 schemes	-	-
Remove net impact of inventories received from DHSC group bodies for COVID response	(0)	-
Remove loss recognised on peppercorn lease disposals	-	-
Remove loss recognised on return of donated COVID assets to DHSC	-	-
<b>Adjusted financial performance surplus / (deficit)</b>	<b><u>(4,932)</u></b>	<b><u>(2,497)</u></b>

## Statement of Financial Position

		31 March 2024	31 March 2023
	Note	£000	£000
<b>Non-current assets</b>			
Intangible assets	14	8,146	4,478
Property, plant and equipment	15	63,594	64,240
Right of use assets	18	6,896	7,628
Investment property	19	-	-
Investments in associates and joint ventures	20	-	-
Other investments / financial assets	21	-	-
Receivables	24	212	414
Other assets	26	-	-
<b>Total non-current assets</b>		<b>78,848</b>	<b>76,760</b>
<b>Current assets</b>			
Inventories	23	74	54
Receivables	24	9,688	12,357
Other investments / financial assets	25	-	-
Other assets	26	-	-
Non-current assets for sale and assets in disposal groups	27.1	12,000	12,000
Cash and cash equivalents	28	38,963	53,715
<b>Total current assets</b>		<b>60,725</b>	<b>78,126</b>
<b>Current liabilities</b>			
Trade and other payables	29	(13,475)	(18,891)
Borrowings	31	(581)	(581)
Other financial liabilities	32	-	-
Provisions	33	(248)	(662)
Other liabilities	30	(414)	(1,365)
Liabilities in disposal groups	27.2	-	-
<b>Total current liabilities</b>		<b>(14,718)</b>	<b>(21,499)</b>
<b>Total assets less current liabilities</b>		<b>124,855</b>	<b>133,387</b>
<b>Non-current liabilities</b>			
Trade and other payables	29	-	-
Borrowings	31	(4,754)	(5,350)
Other financial liabilities	32	-	-
Provisions	33	(853)	(893)
Other liabilities	30	-	(209)
<b>Total non-current liabilities</b>		<b>(5,607)</b>	<b>(6,452)</b>
<b>Total assets employed</b>		<b>119,248</b>	<b>126,935</b>
<b>Financed by</b>			
Public dividend capital		48,761	46,359
Revaluation reserve		25,822	26,899
Financial assets reserve		-	-
Other reserves		-	-
Merger reserve		-	-
Income and expenditure reserve		44,665	53,677
<b>Total taxpayers' equity</b>		<b>119,248</b>	<b>126,935</b>

The notes on pages 163 to 219 form part of these accounts.



Name Salma Yasmeen  
Position Chief Executive  
Date 26 June 2024

## Statement of Changes in Equity for the year ended 31 March 2024

	Public dividend capital	Revaluation reserve	Financial assets reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Taxpayers' and others' equity at 1 April 2023 - brought forward</b>	46,359	26,899	-	-	-	53,677	126,935
Surplus/(deficit) for the year	-	-	-	-	-	(9,068)	(9,068)
Impairments	-	(1,251)	-	-	-	-	(1,251)
Revaluations	-	174	-	-	-	-	174
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	-	191	191
Public dividend capital received	2,402	-	-	-	-	-	2,402
Other reserve movements	-	-	-	-	-	(135)	(135)
<b>Taxpayers' and others' equity at 31 March 2024</b>	<b>48,761</b>	<b>25,822</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,665</b>	<b>119,248</b>

## Statement of Changes in Equity for the year ended 31 March 2023

	Public dividend capital	Revaluation reserve	Financial assets reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Taxpayers' and others' equity at 1 April 2022 - brought forward</b>	41,181	25,786	-	-	-	53,993	120,959
Prior period adjustment	-	-	-	-	-	-	-
<b>Taxpayers' and others' equity at 1 April 2022 - restated</b>	<b>41,181</b>	<b>25,786</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,993</b>	<b>120,959</b>
Implementation of IFRS 16 on 1 April 2022	-	-	-	-	-	1,597	1,597
Surplus/(deficit) for the year	-	-	-	-	-	(1,405)	(1,405)
Impairments	-	(155)	-	-	-	-	(155)
Revaluations	-	1,269	-	-	-	-	1,269
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	-	3,474	3,474
Public dividend capital received	5,178	-	-	-	-	-	5,178
Other reserve movements	-	-	-	-	-	(3,982)	(3,982)
<b>Taxpayers' and others' equity at 31 March 2023</b>	<b>46,359</b>	<b>26,899</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,677</b>	<b>126,935</b>



## **Information on reserves**

### **Public dividend capital**

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

### **Revaluation reserve**

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

### **Income and expenditure reserve**

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

## Statement of Cash Flows

	2023/24	2022/23
Note	£000	£000
<b>Cash flows from operating activities</b>		
Operating surplus / (deficit)	(8,904)	(360)
<b>Non-cash income and expense:</b>		
Depreciation and amortisation	6.1 3,844	3,143
Net impairments	7 3,982	(1,395)
Non-cash movements in on-SoFP pension liability	(18)	133
(Increase) / decrease in receivables and other assets	2,814	(4,094)
(Increase) / decrease in inventories	(20)	27
Increase / (decrease) in payables and other liabilities	(5,847)	5,113
Increase / (decrease) in provisions	(487)	(201)
<b>Net cash flows from / (used in) operating activities</b>	<b><u>(4,636)</u></b>	<b><u>2,366</u></b>
<b>Cash flows from investing activities</b>		
Interest received	2,427	1,073
Purchase of intangible assets	(2,979)	(3,423)
Purchase of PPE and investment property	(8,679)	(7,402)
<b>Net cash flows from / (used in) investing activities</b>	<b><u>(9,232)</u></b>	<b><u>(9,752)</u></b>
<b>Cash flows from financing activities</b>		
Public dividend capital received	2,402	5,178
Capital element of finance lease rental payments	(596)	(609)
Interest paid on finance lease liabilities	(56)	(61)
PDC dividend (paid) / refunded	(2,634)	(2,164)
<b>Net cash flows from / (used in) financing activities</b>	<b><u>(884)</u></b>	<b><u>2,344</u></b>
<b>Increase / (decrease) in cash and cash equivalents</b>	<b><u>(14,752)</u></b>	<b><u>(5,042)</u></b>
<b>Cash and cash equivalents at 1 April - brought forward</b>	<b><u>53,715</u></b>	<b><u>58,757</u></b>
Prior period adjustments		-
<b>Cash and cash equivalents at 1 April - restated</b>	<b><u>53,715</u></b>	<b><u>58,757</u></b>
Cash and cash equivalents transferred under absorption accounting	-	-
Unrealised gains / (losses) on foreign exchange	-	-
<b>Cash and cash equivalents at 31 March</b>	<b>28.1 <u><u>38,963</u></u></b>	<b><u><u>53,715</u></u></b>

## Notes to the Accounts

### Note 1 Accounting policies and other information

#### Note 1.1 Basis of preparation

NHS England 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 2023/24 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.

Sheffield Health and Social Care NHS Foundation Trust ("SHSC") achieved foundation trust status on 1 July 2008 and have been operating as a going concern since then.

#### Note 1.3 Interest in other entities

##### NHS charitable funds

Sheffield Health and Social Care NHS Foundation Trust (SHSC) is related to Sheffield Hospitals Charitable Trust, under the umbrella registration of 1059043-3. The Trust is not a corporate trustee of the charity. The Trust assessed its relationship to the charitable trust and determined that it is not a subsidiary because the Trust does not have powers to govern the financial and operational policies of the charitable trust to obtain benefits from its activities for its stakeholders. Because of this relationship the Trust will not be consolidating the Sheffield Hospitals Charity into their accounts. The Department of Health and Social Care corresponds directly with NHS charities who are independent of their linked trust (with independent trustees) to obtain the information they require to consolidate into Department of Health and Social Care group. Sheffield Hospitals Charity is one such charity. During 2023/24 the Trust did not receive any donations through the charity.

##### Other subsidiaries

Subsidiaries are entities where the Trust has power to exercise control. The Trust has control when it can affect the variable returns from the other entity through its power to direct relevant activities. Their accounts should then be consolidated into the Trust's. The income, expenses, assets, liabilities, equity, and reserves of the subsidiary are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to non-controlling interests are included as a separate item in the Statement of Financial Position. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the Trust or where the subsidiary's accounting date is not coterminous. Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'. In 2015/16 the Trust established a wholly owned operating company, 7 Hills Care and Support Ltd. The company was closed and taken off the register of companies on 5 April 2022.

##### Associates

Associate entities are those over which the Trust has the power to exercise a significant influence. Associate entities are recognised in the Trust's financial statement using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the Trust's share of the entity's profit or loss or other gains and losses (eg revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution, eg, share dividends are received by the Trust from the associate.

Associates which are classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The Trust did not have any recognised Associates during financial year 2023/24.

**Joint ventures**

Joint ventures are arrangements in which the Trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

**Joint operations**

Joint operations are arrangements in which the Trust has joint control with one or more other parties and has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Trust includes within its financial statements its share of the assets, liabilities, income and expenses.

**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 main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity.

**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.

**Note 1.5 Other forms of income****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 accrued in the financial statements only for those employees permitted to carry-forward leave into the following period. In all other cases such leave is forfeited and lost at the end of the financial year.

## **Pension costs**

### **NHS Pension Scheme**

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care 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 liabilities at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 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.

### **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 2020. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2020 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2020 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>.

### **NEST Pension Scheme**

The Trust is a member of the National Employment Savings Trust (NEST) pension scheme which operates as a defined contribution plan. The Trust pays contributions into a fund but has no legal or constructive obligation to make further payments if the fund does not have sufficient assets to pay all employee entitlements post employment. The Trust's obligation is therefore limited to the amount it agrees to contribute to the fund and effectively place actuarial and investment risk on the employee. The amount recognised in the period is the contribution payable in exchange for service rendered by employees during the period.

### **Local Government Pension Scheme**

Some Trust employees who were transferred from Sheffield City Council elected to remain with the Local Government Pension Scheme, administered by the South Yorkshire Pensions Authority, which is a defined benefit pension scheme. The assets and liabilities attributable to these employees can be identified and are recognised in the Trust's accounts. The assets are measured at fair value, and the liabilities at the present value of future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The net interest cost during the year arising from the unwinding of the discount on the net scheme liabilities is recognised within finance costs. Re-measurements of the defined benefit plan are recognised in the income and expenditure reserve and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

### **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 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 are initially measured 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 to. When such assets are revalued, their value is adjusted to those determined by the valuers and their useful cost.

Assets held for their service and still in use (i.e. operational assets used to deliver either front line services or back-office functions) are measured at their current value in existing use. Assets that held for their service potential but are surplus with no plan to bring them back into use, are measured at fair value. If there are no restrictions to the sale of such assets at the reporting date, and such assets do not meet the definitions of investments, they are classified as "assets held for sale" in the financial statements.

Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. These valuations are carried out by professionally qualified valuers in accordance with Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

Fair values are determined as follows:

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

A revaluation was undertaken as at 31 March 2024 and are reflected in these financial statements. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the services being provided.

Properties under construction for service or administration purposes are carried at cost in this financial statement. Cost will include professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences in the following quarter when the assets are brought into use.

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 economic or useful lives consistent with their economic or service delivery benefits to the Trust. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment reclassified as 'held for sale' ceases to be depreciated upon reclassification. Assets under construction are not depreciated until they are brought into use.

### **Revaluation gains and losses**

Revaluation gains are recognised in revaluation reserve, except where they are a reversal of revaluation decreases (impairments) that have previously been recognised in operating expenses, in which case they are recognised in operating income.

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

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

### **Impairments**

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

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when 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 following conditions are met:

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

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met. The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the income statement. On disposal, the balance for the asset on the revaluation reserve, donated asset reserve or government grant reserve is transferred to retained earnings.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset with an adjusted useful life in line with the expected period before scrapping or demolishing. The asset is de-recognised when scrapping or demolition occurs

Assets held as "Excess to Requirements" or Surplus Assets are valued at fair value and depreciated as part of operational assets. Such assets, if not sold, will retain the status of operating assets until they are either disposed of, sold, or brought back into operation. Fulwood land was classified as surplus assets for the financial year 2020/21.

### Donated assets and Government grant funded assets

Donated non-current assets are capitalised at current value in existing use, if they are held for their service potential, or at fair value on receipt, with a matching credit to income. They are valued, depreciated, and impaired as other purchased assets above. Gains and losses on revaluations, impairments and sales are treated in the same way as purchased assets.

Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

Government grant funded assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

### 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 is shown in the table below:

	Minimum life - years	Maximum life - years
Buildings, excluding dwellings	15	50
Plant and machinery	5	15
Transport equipment	3	7
Information technology	3	7
Furniture and fittings	7	10

Freehold land, assets under construction or development, investment properties, and assets held for sale are not depreciated. Depreciation is charged to write off the costs or valuation of property, plant and equipment and intangible assets, less any residual value, on a straight-line basis over their estimated useful lives.

The estimated economic useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. At each financial year end, the Trust checks whether there is any indication that its property, plant and equipment or intangible assets have suffered an impairment. If there is indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss. Intangible assets not yet available for use are tested for impairment annually at the financial year end.

### Note 1.9 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, or services be provided to the Trust and where the cost of the asset can be measured reliably and when the cost is £5,000 and above inclusive of VAT.

#### Software

Software that is integral to the operation of hardware like operating systems, is capitalised as part of the related item of property, plant and equipment. Software that is not integral to the operation of hardware like most application software, is capitalised as intangible assets.

Expenditure on research is not capitalised but is recognised as an operating expense in the period it occurs. Internally developed software is recognised when the following conditions have been met:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the Trust intends to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial, and other resources to complete the intangible asset and sell



- the ability to measure reliably the expenditure attributable to the intangible asset during its development

### Measurement

Intangible assets acquired separately are recognised at cost. The amount recognised for internally developed intangible assets is the sum of the expenditure incurred from the date when the criteria for recognition are initially met. Where no internally developed intangible asset can be recognised, the expenditure is recognised in the period in which it occurs.

Following initial recognition, intangible assets are carried at current value in existing use by reference to an active market. Where no active market exists, they are valued at the lower of amortised replacement cost (modern equivalent assets basis) and value in use where the asset is income generating. Internally developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

Revaluations and impairments are treated in the same manner as for property, plant and equipment. 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.

### Economic lives of intangible assets

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

	Minimum life - years	Maximum life - years
Information technology	3	7
Software licenses	3	7
Licenses and trademarks	3	7
Other (purchased)	3	7
Goodwill	3	7

### Note 1.10 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

### Note 1.11 Investment properties

Investment properties are measured at fair value. Changes in fair value are recognised as gains or losses in income/expenditure. Only assets held solely to generate commercial returns are classified as investment properties. Where an asset is held, in part, to support services, then it should be classified as part of the general assets and rental charged for the part being leased out. Properties occupied by employees, whether they pay rent at market rates, are not classified as investment properties.

### Note 1.12 Cash and cash equivalents

Cash resources cover cash in hand (including petty cash), and cash deposits with financial institutions available on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of investment and that are readily convertible to cash but carry some 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. Cash, bank and overdraft balances are recorded at current values.

## **Note 1.13 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 leasing arrangements are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure or fair value through other comprehensive income.

Financial liabilities classified as subsequently measured at amortised cost or 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.

### **Impairment of financial assets**

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

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

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

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

### **De-recognition**

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

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires. For 2023/24 financial year, the Trust did not have any investments or obligation under financial instruments.

## **Note 1.14 Leases**

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

### **The Trust as lessee**

#### **Initial recognition and measurement**

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 3.51% applied to new leases commencing in 2023 and 4.72% to new leases commencing in 2024.

The trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight line basis over the lease term or other systematic basis. Irrecoverable VAT on lease payments is expensed as it falls due.

#### **Subsequent measurement**

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

### **The Trust as lessor**

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. 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.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

#### **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**

Income from operating leases is recognised on a straight-line basis or another systematic 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.

### Initial application of IFRS 16 in 2022/23

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury was applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaced IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

The standard was applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 were only applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments were not revisited.

### The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the Statement of Financial Position immediately prior to initial application. Hindsight was used in determining the lease term where lease arrangements contained options for extension or earlier termination.

No adjustments were made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets had a value below £5,000. No adjustments were made in respect of leases previously classified as finance leases.

### The Trust as lessor

Leases of owned assets where the Trust was lessor were unaffected by initial application of IFRS 16. For existing arrangements where the Trust was an intermediate lessor, classification of all continuing sublease arrangements was reassessed with reference to the right of use asset.

### Note 1.15 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2024:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	4.26%	3.27%
Medium-term	After 5 years up to 10 years	4.03%	3.20%
Long-term	After 10 years up to 40 years	4.72%	3.51%
Very long-term	Exceeding 40 years	4.40%	3.00%

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 from 31 March 2024:

	Inflation rate	Prior year rate
Year 1	3.60%	7.40%
Year 2	1.80%	0.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's post-employment benefits discount rate of 2.45% in real terms (prior year: 1.70%).

### Clinical negligence costs

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

### **Non-clinical risk pooling**

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

### **Note 1.16 Contingencies**

Contingent assets are assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the SHSC's control. These are not recognised as assets but are disclosed in a note to the accounts where an inflow of economic benefits is probable.

Contingent liabilities are:

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

Contingent liabilities are not recognised in the accounts but are disclosed in a note in the accounts unless the probability of a transfer of economic liability is remote.

### **Note 1.17 Public dividend capital**

Public dividend capital are funds issued by the Department of Health and Social Care (DHSC) to fund public sector equity. This represents the DHSC's investment in the Trust. HM Treasury has recognised the investment as being issued under statutory authority rather than under contract, so PDC is not a financial instrument within the meaning of IAS 32. The Secretary of State has rights to issue new PDC or require repayments of PDC to and from the Trust at any time.

PDC capital is recorded in these accounts 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 in the PDC dividend policy issued 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 1.18 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 1.19 Corporation tax**

The Finance Act 2004 amended Section 519A of the Income and Corporation Taxes Act 1998 to empower HM Treasury charge corporation tax on non-core activities of the Trust where profits exceed £50,000 per annum. This covers activities that fall outside healthcare provision and are not in support of any activities that add viability to the core functions of the Trust. These activities are subject to regular review. The Trust carried the review of corporation tax liability of its non-healthcare activities for the financial year 2023/24 and no activities ancillary to patient and health care earned £50,000 or more in income for the year.

### **Note 1.20 Foreign currencies**

The Trust's functional currency and presentational currency is pound sterling, and numbers in these accounts are presented in thousands of pounds unless expressly stated otherwise. Transactions that are denominated in foreign currency are translated into the functional currency at the spot exchange rate on the date of the transaction. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March.

Exchange gains and losses on monetary items (arising on settlement of the transaction or on retranslation at the Statement of Financial Position date) are recognised in the Statement of Comprehensive Income in the period in which they arise.

**Note 1.21 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 1.22 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 1.23 Gifts**

Gifts or voluntary donations, with no preconditions and without expectation of any return are treated by the Trust as charitable donations. These gifts include transactions economically equivalent to free and unremunerated transfers, such as the loan of assets over their expected useful life, and the sale or lease of assets to the Trust at below market value. All these gifts and donations, both tangible and intangible, are recorded as donated assets in the Trust's asset registers and depreciated in line with normal asset depreciation policy.

**Note 1.24 Transfers of Functions**

As public sector bodies operate under DHSC regulations and control, business reconfigurations within the DHSC group are outside the scope of IFRS 3 Business Combinations. Where functions transfer between two public sector bodies, the DHSC Group Accounting Manual (GAM) requires the application of 'absorption accounting'. Absorption accounting requires that entities account for their transactions in the period in which they took place. Where assets and liabilities transfer, the gains or losses resulting are recognised in the Statement of Comprehensive Income and are disclosed separately from operating income and expenditure.

**Note 1.25 Early adoption of standards, amendments and interpretations**

No new accounting standards or revisions to existing standards have been early adopted in 2023/24.

**Note 1.26 Standards, amendments and interpretations in issue but not yet effective or adopted**

IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

The Trust has considered the above new standards, interpretation, and amendments to published standards that are not yet effective and concluded that IFRS 17 is currently not relevant to the Trust or would not have a significant impact on the Trust's financial statements, apart from some additional disclosures.

IFRS 18 was issued in April 2024 and applies to periods beginning on or after 1 January 2027. The standard has not yet been adopted by FRAB for inclusion within the FReM and therefore it is not yet possible to confirm how this will impact on our accounts in the future.

**Note 1.27 Critical judgements and key sources of estimation uncertainty**

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

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The Trust confirms that it has not used any key assumptions concerning the future or had any key sources of estimation uncertainty at the end of the reporting period that have risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year that need to be disclosed under IAS1.

It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. Based on existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset or liability recorded in Note 16.1.

**Note 1.28 Sources of estimation uncertainty**

The main area of estimation uncertainty within the Trust is the carrying value of the property portfolio and the assumptions used in the determination of fair value at the Statement of Financial Position date. To minimise the risk of material misstatement, a property valuation was commissioned by the Trust for 31 March 2024. Provisions have been calculated after recognising obligating events during the year and include estimates and assumptions relating to the carrying amounts and timing of anticipated payments. Litigation provisions are based on estimates provided through NHS Resolution and injury benefit provisions calculated on figures from NHS Business Services Authority. Refer to Paragraph 1.15 for further details.

Further areas of estimation are around net liability to pay pensions in respect of staff who transferred to the Trust from Sheffield City Council. This estimation depends on judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in the retirement ages, mortality rates, and expected returns on pension fund assets. Consulting actuaries, Hymans Robertson, engaged by the South Yorkshire Pensions Authority, provide the Trust with expert advice on assumptions applied in the valuation of these pensions.

The Trust's standard policy is to carry out full revaluation of lands and buildings every five years, with a provision for a tabletop revaluation during the third year. A revaluation was undertaken in March 2024.

Most of the Trust's fixed assets are specialised assets, used to deliver healthcare services for the Trust, except Wardsend Road (office space). The Specialised assets were revalued at their "depreciated replacement cost" or fair value for those that were added to the portfolio of assets. This technique involves assessing all the costs of providing a modern equivalent asset using pricing at the valuation date.

**Note 2 Operating Segments**

The Trust has one operating segment, the provision of health and social care. All its revenues are derived from within the United Kingdom.

Details of operating income by classification and type are provided under Note 3 below.



### 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

<b>Note 3.1 Income from patient care activities (by nature)</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
<b>Mental health services</b>		
Income from commissioners under API contracts*	121,501	115,694
Services delivered under a mental health collaborative	4,427	4,412
Clinical partnerships providing mandatory services (including S75 agreements)	1,817	1,997
Other clinical income from mandatory services	2,052	6,150
<b>All services</b>		
National pay award central funding***	31	4,882
Additional pension contribution central funding**	5,256	4,835
Other clinical income	54	-
<b>Total income from activities</b>	<b>135,138</b>	<b>137,970</b>

\*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2023/24 NHS Payment Scheme documentation.

<https://www.england.nhs.uk/pay-syst/nhs-payment-scheme/>

\*\*The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (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.

\*\*\*In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023.

### Note 3.2 Income from patient care activities (by source)

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
<b>Income from patient care activities received from:</b>		
NHS England	7,404	11,940
Clinical commissioning groups		27,294
Integrated care boards	119,351	86,178
Department of Health and Social Care	-	-
Other NHS providers	4,460	4,411
NHS other	-	-
Local authorities	3,869	8,147
Non NHS: other	54	-
<b>Total income from activities</b>	<b>135,138</b>	<b>137,970</b>
<b>Of which:</b>		
Related to continuing operations	135,138	137,970
Related to discontinued operations	-	-

### Note 3.3 Other operating income

	2023/24		2022/23		Total
	Contract income	Non-contract income	Contract income	Non-contract income	
	£000	£000	£000	£000	£000
Research and development	2,304	-	2,544	-	2,544
Education and training	10,503	294	8,587	322	8,909
Non-patient care services to other bodies	6,176	-	7,015	-	7,015
Reimbursement and top up funding	4,658	-	3,700	-	3,700
Income in respect of employee benefits accounted on a gross basis	-	-	-	-	-
Receipt of capital grants and donations and peppercorn leases	22	-	22	83	83
Charitable and other contributions to expenditure	-	-	-	-	-
Support from the Department of Health and Social Care for mergers	-	-	-	-	-
Revenue from finance leases (variable lease receipts)	151	-	-	-	-
Revenue from operating leases	-	151	-	151	151
Amortisation of PFI deferred income / credits	-	-	-	-	-
Other income	386	-	169	-	169
<b>Total other operating income</b>	<b>24,027</b>	<b>467</b>	<b>22,015</b>	<b>556</b>	<b>22,571</b>
<b>Of which:</b>					
Related to continuing operations		24,494			22,571
Related to discontinued operations		-			-

**Note 4.1 Additional information on contract revenue (IFRS 15) recognised in the period**

There was no revenue recognised in the 2023/24 reporting period that was included in within contract liabilities at the previous period end (nil 2022/23).

**Note 4.2 Transaction price allocated to remaining performance obligations**

There are no transaction price allocated to remaining performance obligations in 2023/24 (nil 2022/23).

**Note 4.3 Income from activities arising from commissioner requested services**

There was no income arising from commissioner requested services in 2023/24 (nil 2022/23) recognised in the reporting period that was included in within contract liabilities at the previous period end (nil 2022/23).

**Note 4.4 Profits and losses on disposal of property, plant and equipment**

The Trust did not dispose of any Property, Plant and Equipment in 2023/24. The contract for the sale of Fulwood land and adjacent leased car park was signed in December 2021 and deposit receipted. The property was reclassified as "held for sale" and the sale value of £12 million. The sale has been delayed and is expected to proceed in 2024/25.

**Note 4.5 Fees and charges**

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

No material fees and charges to service users to report at 31 March 2024.

## Note 5 Operating leases - Sheffield Health and Social Care NHS Foundation Trust as lessor

This note discloses income generated in operating lease agreements where Sheffield Health and Social Care NHS Foundation Trust is the lessor.

Sheffield Teaching Hospitals FT occupy part of 3 sites that belong to the Trust (Lightwood, Limbrick and Michael Carlisle Centre). The Trust considers this to be an operating lease and therefore accounts for it as a lease under IFRS16 where the Trust is the lessor.

### Note 5.1 Operating lease income

	2023/24 £000	2022/23 £000
<b>Lease receipts recognised as income in year:</b>		
Minimum lease receipts	151	151
Variable lease receipts / contingent rents	-	-
<b>Total in-year operating lease income</b>	<b>151</b>	<b>151</b>

### Note 5.2 Future lease receipts

	31 March 2024 £000	31 March 2023 £000
<b>Future minimum lease receipts due in:</b>		
- not later than one year	151	151
- later than one year and not later than two years	151	151
- later than two years and not later than three years	-	-
- later than three years and not later than four years	-	-
- later than four years and not later than five years	-	-
- later than five years	-	-
<b>Total</b>	<b>302</b>	<b>302</b>

## Note 6.1 Operating expenses

	2023/24	2022/23
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	72	154
Purchase of healthcare from non-NHS and non-DHSC bodies	10,715	10,524
Purchase of social care	-	-
Staff and executive directors costs	117,115	123,482
Remuneration of non-executive directors	128	130
Supplies and services - clinical (excluding drugs costs)	301	407
Supplies and services - general	2,771	2,849
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	1,094	1,262
Inventories written down	2	5
Consultancy costs	288	399
Establishment	658	783
Premises	6,723	7,075
Transport (including patient travel)	1,541	1,408
Depreciation on property, plant and equipment	3,496	2,866
Amortisation on intangible assets	348	276
Net impairments	3,982	(1,395)
Movement in credit loss allowance: contract receivables / contract assets	17	(8)
Movement in credit loss allowance: all other receivables and investments	-	-
Increase/(decrease) in other provisions	(20)	246
Change in provisions discount rate(s)	(33)	(177)
Fees payable to the external auditor		
audit services- statutory audit	191	141
other auditor remuneration (external auditor only)	-	-
Internal audit costs	81	89
Clinical negligence	697	522
Legal fees	121	181
Insurance	22	130
Research and development	2,000	2,064
Education and training	14,373	5,843
Expenditure on short term leases	-	-
Expenditure on low value leases	102	99
Variable lease payments not included in the liability	-	77
Early retirements	12	-
Redundancy	-	-
Car parking & security	459	213
Hospitality	-	36
Losses, ex gratia & special payments	90	125
Grossing up consortium arrangements	-	-
Other services, eg external payroll	285	314
Other	906	781
<b>Total</b>	<b>168,537</b>	<b>160,901</b>
<b>Of which:</b>		
Related to continuing operations	168,537	160,901
Related to discontinued operations	-	-

Note - Education and Training costs for 2022/23 are shown as £5.843m. However, if the same classification used in 2023/24 was applied to 2022/23 the reported value would have been £13.232m.

## Note 6.2 Other auditor remuneration

Nil in 2023/24 (nil 2022/23)

## Note 6.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1 million (2022/23: £1 million).

## Note 7 Impairment of assets

	2023/24	2022/23
	£000	£000
<b>Net impairments charged to operating surplus / deficit resulting from:</b>		
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	3,982	(1,395)
Other	-	-
<b>Total net impairments charged to operating surplus / deficit</b>	<b>3,982</b>	<b>(1,395)</b>
Impairments charged to the revaluation reserve	1,251	155
<b>Total net impairments</b>	<b>5,233</b>	<b>(1,240)</b>

The Trust carried out a full revaluation of their lands and buildings in 2023/24. There have been significant impairments at The Longley Centre £3,330k, Nether Edge Hospital £956k and Woodland View £810k, following the conclusion of refurbishment works. The total net impairment for the year was £5,233k. Other revaluation gains £174k have been recognised against the revaluation reserve.

## Note 8 Employee benefits

	2023/24	2022/23
	Total	Total
	£000	£000
Salaries and wages	97,305	94,785
Social security costs	9,975	9,441
Apprenticeship levy	526	470
Employer's contributions to NHS pensions	17,197	15,828
Pension cost - other	359	159
Other post employment benefits	-	-
Other employment benefits	-	-
Termination benefits	381	-
Temporary staff (including agency)	7,726	9,901
<b>Total gross staff costs</b>	<b>133,469</b>	<b>130,585</b>
Recoveries in respect of seconded staff	-	-
<b>Total staff costs</b>	<b>133,469</b>	<b>130,585</b>
<b>Of which</b>		
Costs capitalised as part of assets	2,434	1,672

### Note 8.1 Retirements due to ill-health

During 2023/24 there were 2 early retirements from the trust agreed on the grounds of ill-health (1 in the year ended 31 March 2023). The estimated additional pension liabilities of these ill-health retirements is £205k (£59k in 2022/23).

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](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

### **a) Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as at 31 March 2023, updated to 31 March 2024 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 2020. The results of this valuation set the employer contribution rate payable from April 2024. The Department of Health and Social Care has recently laid Scheme Regulations confirming the the employer contribution rate will increase to 23.7% from 1 April 2024 (previously 20.6%).



### Note 9.1 Nest Pension Scheme

The Trust is a member of the National Employment Savings Trust (NEST) pension scheme that is defined contribution scheme. The Trust pays contributions into NEST but have obligation to make additional payments if the fund does not have sufficient assets to pay all of the employees' entitlements to post-employment benefits. The Trust's obligation is limited to the amount agreed as its contribution to the fund on behalf of employees and place actuarial and investment risk on them as members of NEST. The amount recognised on the financial statements is the contribution paid on behalf of members.

In addition to the NEST Pension Scheme the Local Authority (South Yoorkshire Pensions) employer contributions are shown below to show the total employer costs for non NHS pension schemes.

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Employer's Contributions - NEST	57	72
Employer's Contributions SYPA	302	87
Total Non NHS Pension Scheme Contributions	<u>359</u>	<u>159</u>

The number of NEST members at the end of 2023/24 was 120 (169 for 2022/23).

## Note 10 Finance income

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

	2023/24 £000	2022/23 £000
Interest on bank accounts	2,438	1,278
Interest income on finance leases	-	-
Interest on other investments / financial assets	-	-
Other finance income	-	-
<b>Total finance income</b>	<b>2,438</b>	<b>1,278</b>

## Note 11.1 Finance expenditure

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

	2023/24 £000	2022/23 £000
<b>Interest expense:</b>		
Interest on loans from the Department of Health and Social Care	-	-
Interest on other loans	-	-
Interest on overdrafts	-	-
Interest on lease obligations	56	62
Interest on late payment of commercial debt	-	-
<b>Total interest expense</b>	<b>56</b>	<b>62</b>
Unwinding of discount on provisions	13	9
Other finance costs	20	26
<b>Total finance costs</b>	<b>89</b>	<b>97</b>

## Note 11.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2023/24 £000	2022/23 £000
Total liability accruing in year under this legislation as a result of late payments	-	-
Amounts included within interest payable arising from claims made under this legislation	-	-
Compensation paid to cover debt recovery costs under this legislation	-	-

**Note 12 Other gains / (losses)**

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Gains on disposal of assets	-	-
Losses on disposal of assets	-	-
<b>Total gains / (losses) on disposal of assets</b>	<b>-</b>	<b>-</b>
Gains / (losses) on foreign exchange	-	-
Fair value gains / (losses) on investment properties	-	-
Fair value gains / (losses) on financial assets / investments	-	-
Fair value gains / (losses) on financial liabilities	-	-
Recycling gains / (losses) on disposal of financial assets mandated as fair value through OCI	-	-
Gains/(losses) on remeasurement of finance lease receivables (lessor)	-	-
Gains/(losses) on termination of finance leases (lessor)	-	-
Other gains / (losses)	-	-
<b>Total other gains / (losses)</b>	<b>-</b>	<b>-</b>

**Note 13 Discontinued operations**

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Operating income of discontinued operations	-	-
Operating expenses of discontinued operations	-	-
Gain on disposal of discontinued operations	-	-
(Loss) on disposal of discontinued operations	-	-
Corporation tax expense attributable to discontinued operations	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

**Note 14.1 Intangible assets - 2023/24**

	Software licences £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
<b>Valuation / gross cost at 1 April 2023 - brought forward</b>	1,954	3,358	-	5,311
Transfers by absorption	-	-	-	-
Additions	-	4,016	-	4,016
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
<b>Valuation / gross cost at 31 March 2024</b>	<b>1,954</b>	<b>7,374</b>	<b>-</b>	<b>9,327</b>
<b>Amortisation at 1 April 2023 - brought forward</b>	833	-	-	833
Transfers by absorption	-	-	-	-
Provided during the year	348	-	-	348
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
<b>Amortisation at 31 March 2024</b>	<b>1,181</b>	<b>-</b>	<b>-</b>	<b>1,181</b>
<b>Net book value at 31 March 2024</b>	<b>773</b>	<b>7,374</b>	<b>-</b>	<b>8,146</b>
<b>Net book value at 1 April 2023</b>	<b>1,121</b>	<b>3,358</b>	<b>-</b>	<b>4,478</b>

**Note 14.2 Intangible assets - 2022/23**

	Software licences £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
<b>Valuation / gross cost at 1 April 2022 - as previously stated</b>	1,641	280	-	1,920
Prior period adjustments	-	-	-	-
<b>Valuation / gross cost at 1 April 2022 - restated</b>	1,641	280	-	1,920
IFRS 16 implementation - reclassification of existing finance leased assets to right of use assets	-	-	-	-
Transfers by absorption	-	-	-	-
Additions	-	3,391	-	3,391
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	313	(313)	-	-
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
<b>Valuation / gross cost at 31 March 2023</b>	1,954	3,358	-	5,311
<b>Amortisation at 1 April 2022 - as previously stated</b>	557	-	-	557
Prior period adjustments	-	-	-	-
<b>Amortisation at 1 April 2022 - restated</b>	557	-	-	557
IFRS 16 implementation - reclassification of existing finance leased assets to right of use assets	-	-	-	-
Transfers by absorption	-	-	-	-
Provided during the year	276	-	-	276
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
<b>Amortisation at 31 March 2023</b>	833	-	-	833
<b>Net book value at 31 March 2023</b>	1,121	3,358	-	4,478
<b>Net book value at 1 April 2022</b>	1,084	280	-	1,363

**Note 15.1 Property, plant and equipment - 2023/24**

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Valuation/gross cost at 1 April 2023 - brought forward</b>	10,842	45,171	5,159	1,027	695	2,549	734	66,177
Transfers by absorption	-	-	-	-	-	-	-	-
Additions	-	-	7,177	-	-	-	-	7,177
Impairments	-	(5,287)	-	-	-	-	-	(5,287)
Reversals of impairments	-	54	-	-	-	-	-	54
Revaluations	-	(1,782)	-	-	-	-	-	(1,782)
Reclassifications	-	10,358	(10,809)	76	170	103	102	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	(67)	(40)	(296)	(2)	(405)
<b>Valuation/gross cost at 31 March 2024</b>	<b>10,842</b>	<b>48,514</b>	<b>1,527</b>	<b>1,036</b>	<b>825</b>	<b>2,356</b>	<b>834</b>	<b>65,934</b>

**Accumulated depreciation at 1 April 2023 - brought forward**

Transfers by absorption	-	501	-	394	170	842	29	1,936
Provided during the year	-	-	-	-	-	-	-	-
Impairments	-	2,017	-	118	85	441	103	2,764
Reversals of impairments	-	-	-	-	-	-	-	-
Revaluations	-	(1,956)	-	-	-	-	-	(1,956)
Reclassifications	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	(67)	(40)	(296)	(2)	(405)
<b>Accumulated depreciation at 31 March 2024</b>	<b>-</b>	<b>562</b>	<b>-</b>	<b>445</b>	<b>215</b>	<b>987</b>	<b>130</b>	<b>2,339</b>

**Net book value at 31 March 2024**

10,842	47,952	1,527	590	609	1,369	704	63,594
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**Net book value at 1 April 2023**

10,842	44,670	5,159	632	524	1,707	705	64,240
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**Note 15.2 Property, plant and equipment - 2022/23**

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Valuation / gross cost at 1 April 2022 - as previously stated</b>	10,847	35,090	6,655	765	543	2,923	174	56,998
Prior period adjustments	-	-	-	-	-	-	-	-
<b>Valuation / gross cost at 1 April 2022 - restated</b>	10,847	35,090	6,655	765	543	2,923	174	56,998
Additions	-	-	8,621	-	-	-	-	8,621
Impairments	-	(416)	-	-	-	-	-	(416)
Reversals of impairments	-	1,656	-	-	-	-	-	1,656
Revaluations	(5)	(136)	-	-	-	-	-	(141)
Reclassifications	-	8,977	(10,117)	284	213	82	561	-
Disposals / derecognition	-	-	-	(22)	(62)	(456)	(1)	(541)
<b>Valuation/gross cost at 31 March 2023</b>	10,842	45,171	5,159	1,027	695	2,549	734	66,177

**Accumulated depreciation at 1 April 2022 - as previously stated**

Prior period adjustments	-	474	-	332	167	780	7	1,760
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**Accumulated depreciation at 1 April 2022 - restated**

Provided during the year	-	474	-	332	167	780	7	1,760
Revaluations	-	1,437	-	84	65	518	23	2,127
Disposals / derecognition	-	(1,410)	-	-	-	-	-	(1,410)
<b>Accumulated depreciation at 31 March 2023</b>	-	501	-	394	170	842	29	1,936

**Net book value at 31 March 2023**

	10,842	44,670	5,159	632	524	1,707	705	64,240
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**Net book value at 1 April 2022**

	10,847	34,616	6,655	432	376	2,144	167	55,238
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**Note 15.3 Property, plant and equipment financing - 31 March 2024**

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Owned - purchased	10,842	47,065	1,527	590	609	1,369	704	62,708
On-SoFP PFI contracts and other service concession arrangements	-	-	-	-	-	-	-	-
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-
Owned - donated/granted	-	886	-	-	-	-	-	886
<b>Total net book value at 31 March 2024</b>	<b>10,842</b>	<b>47,951</b>	<b>1,527</b>	<b>590</b>	<b>609</b>	<b>1,369</b>	<b>704</b>	<b>63,594</b>

**Note 15.4 Property, plant and equipment financing - 31 March 2023**

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Owned - purchased	10,842	43,787	5,160	632	524	1,707	705	63,358
On-SoFP PFI contracts and other service concession arrangements	-	-	-	-	-	-	-	-
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-
Owned - donated/granted	-	882	-	-	-	-	-	882
<b>Total net book value at 31 March 2023</b>	<b>10,842</b>	<b>44,669</b>	<b>5,160</b>	<b>632</b>	<b>524</b>	<b>1,707</b>	<b>705</b>	<b>64,240</b>

**Note 15.5 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2024**

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Subject to an operating lease	-	302	-	-	-	-	-	302
Not subject to an operating lease	10,842	47,649	1,527	590	609	1,369	704	63,292
<b>Total net book value at 31 March 2024</b>	<b>10,842</b>	<b>47,951</b>	<b>1,527</b>	<b>590</b>	<b>609</b>	<b>1,369</b>	<b>704</b>	<b>63,594</b>

The building assets subject to an operating lease are: Michael Carlisle Centre, Lightwood and Limbrick where Sheffield Teaching Hospitals occupy 12%, 16% and 11% respectively. This is unchanged from 2022/23

**Note 15.6 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023**

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Subject to an operating lease	-	302	-	-	-	-	-	302
Not subject to an operating lease	10,842	44,368	5,160	632	524	1,707	705	63,938
<b>Total net book value at 31 March 2023</b>	<b>10,842</b>	<b>44,670</b>	<b>5,160</b>	<b>632</b>	<b>524</b>	<b>1,707</b>	<b>705</b>	<b>64,240</b>

## **Note 16 Donations of property, plant and equipment**

There were no donations of Property, Plant and Equipment in 2022/23.

## **Note 17 Revaluations of property, plant and equipment**

A valuation of land and buildings was carried out in year with an effective date of 31 March 2024.

All property, plant and equipment are measured at cost on acquisition, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value without depreciation charged if they are not in use. Assets that are Held for Sale are held at the fair value or market value if that is established. Assets held for sale are not subject to depreciation and should be fully decommissioned before transfer to "asset held for sale".

Land and buildings in use at the Trust are valued at their revalued cost on the Statement of Financial Position. This is fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Full revaluations at the Trust are scheduled every five years with a desk top revaluation every three years. Revaluation may be carried out where management feels there is a marked shift in asset valuations due to external factors. These valuations are carried out by professionally qualified valuers in accordance with Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

## **Note 18 Leases - Sheffield Health and Social Care NHS Foundation Trust as a lessee**

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022.

The Right of Use assets included in note 18.1 are as follows:

Centre Court and Distington House (Headquarters Building)

Exchange Works

President Park

Fitzwilliam Street

The Circle (ended November 2023)

Charnock Health Centre

Leadmill Rd

Netherthorpe House

Albert Terrace Road

Longley Leasehold

Longley Meadows

Albert Terrace Road

Leased car parking spaces

**Note 18.1 Right of use assets - 2023/24**

	Property (land and buildings) £000	Furniture & fittings £000	Intangible assets £000	Total £000	Of which: leased from DHSC group bodies £000
Valuation / gross cost at 1 April 2023 - brought forward	8,135	232	-	8,367	2,666
Valuation/gross cost at 31 March 2024	8,135	232	-	8,367	2,666

**Accumulated depreciation at 1 April 2023 - brought forward**

Provided during the year

**Accumulated depreciation at 31 March 2024**

	693	46	-	739	28
	686	46	-	732	28
	1,379	92	-	1,471	56
<b>Net book value at 31 March 2024</b>	<b>6,756</b>	<b>140</b>	<b>-</b>	<b>6,896</b>	<b>2,610</b>
<b>Net book value at 1 April 2023</b>	<b>7,442</b>	<b>186</b>	<b>-</b>	<b>7,628</b>	<b>2,638</b>

Net book value of right of use assets leased from other NHS providers

Net book value of right of use assets leased from other DHSC group bodies

**Note 18.2 Right of use assets - 2022/23**

	Property (land and buildings) £000	Furniture & fittings £000	Intangible assets £000	Total £000	Of which: leased from DHSC group bodies £000
Valuation / gross cost at 1 April 2022 - brought forward	-	-	-	-	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	8,135	232	-	8,367	2,666
Valuation/gross cost at 31 March 2023	8,135	232	-	8,367	2,666

**Accumulated depreciation at 1 April 2022 - brought forward**

Provided during the year

**Accumulated depreciation at 31 March 2023**

	-	-	-	-	-
	693	46	-	739	28
	693	46	-	739	28
<b>Net book value at 31 March 2023</b>	<b>7,442</b>	<b>186</b>	<b>-</b>	<b>7,628</b>	<b>2,638</b>
<b>Net book value at 1 April 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Net book value of right of use assets leased from other NHS providers

Net book value of right of use assets leased from other DHSC group bodies

### Note 18.3 Revaluations of right of use assets

Right of use assets were first recognised in 2022/23 in line with IFRS16. Accurate valuations were used at time of inception. The majority of leases are linked to lease payments made which have not materially changed in 2023/24.

### Note 18.4 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 31.1.

	2023/24 £000	2022/23 £000
<b>Carrying value at 31 March</b>	<b>5,931</b>	-
Prior period adjustments		-
<b>Carrying value at 31 March - restated</b>	<b>5,931</b>	-
IFRS 16 implementation - adjustments for existing operating leases		6,539
Transfers by absorption	-	-
Lease additions	-	-
Lease liability remeasurements	-	-
Interest charge arising in year	56	62
Early terminations	-	-
Lease payments (cash outflows)	(652)	(670)
Other changes	-	-
<b>Carrying value at 31 March</b>	<b>5,335</b>	<b>5,931</b>

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

These payments are disclosed in Note 6.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

### Note 18.5 Maturity analysis of future lease payments

	Total 31 March 2024 £000	Of which leased from DHSC group bodies: 31 March 2024 £000	Total 31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000
<b>Undiscounted future lease payments payable in:</b>				
- not later than one year;	581	8	581	8
- later than one year and not later than five years;	1,927	39	2,232	33
- later than five years.	2,827	1,100	3,118	1,114
<b>Total gross future lease payments</b>	<b>5,335</b>	<b>1,147</b>	<b>5,931</b>	<b>1,155</b>
Finance charges allocated to future periods	-	-	-	-
<b>Net lease liabilities at 31 March 2024</b>	<b>5,335</b>	<b>1,147</b>	<b>5,931</b>	<b>1,155</b>
<b>Of which:</b>				
Leased from other NHS providers		1,147		1,155
Leased from other DHSC group bodies		-		-

### Note 18.6 Leases - other information

The cashflow for IFRS16 leases in 2023/24 is £581,000. The actual lease expenditure for 2023/24 is £658,000, the difference of £77,000 is the impact of IFRS16

There are no sale and leaseback transactions during the year.

**Note 19 Investment Property**

The Trust had no investment in properties in 2023/24 or 2022/23.

**Note 20 Investments in associates and joint ventures**

There were no investments in associates and joint ventures in 2023/24 or 2022/23.

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

There were no other investments or financial assets in 2023/24 or 2022/23.

## Note 22 Disclosure of interests in other entities

Subsidiaries are entities where the Trust has power to exercise control. The Trust has control when it can affect the variable returns from the other entity through its power to direct relevant activities. Their accounts should then be consolidated into the Trust's. The income, expenses, assets, liabilities, equity, and reserves of the subsidiary are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to non-controlling interests are included as a separate item in the Statement of Financial Position. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the Trust or where the subsidiary's accounting date is not coterminous. Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

The Trust had no interests in other entities during 2023/24 or 2022/23.

## Note 23 Inventories

	<b>31 March 2024 £000</b>	<b>31 March 2023 £000</b>
Drugs	74	54
Work In progress	-	-
Consumables	0	-
Energy	-	-
Other	-	-
<b>Total inventories</b>	<b><u>74</u></b>	<b><u>54</u></b>
<b>of which:</b>		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £988k (2022/23: £1,235k). Write-down of inventories recognised as expenses for the year were £2k (2022/23: £5k).

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 2023/24 the Trust received £22k of items purchased by DHSC (2022/23: £83k).

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 2024 £000	31 March 2023 £000
<b>Current</b>		
Contract receivables	8,033	10,682
Contract assets	-	-
Capital receivables	-	-
Allowance for impaired contract receivables / assets	(67)	(50)
Allowance for other impaired receivables	-	-
Deposits and advances	-	-
Prepayments (non-PFI)	1,232	1,270
Interest receivable	190	179
Finance lease receivables	-	-
Operating lease receivables	-	-
PDC dividend receivable	67	-
VAT receivable	211	217
Corporation and other taxes receivable	-	43
Other receivables	21	16
<b>Total current receivables</b>	<b>9,687</b>	<b>12,357</b>
<b>Non-current</b>		
Prepayments (non-PFI)	79	140
Other receivables	133	274
<b>Total non-current receivables</b>	<b>212</b>	<b>414</b>
<b>Of which receivable from NHS and DHSC group bodies:</b>		
Current	4,977	8,786
Non-current	133	138



## Note 24.2 Allowances for credit losses

	2023/24		2022/23	
	Contract receivables and contract assets £000	All other receivables £000	Contract receivables and contract assets £000	All other receivables £000
<b>Allowances as at 1 April - brought forward</b>	50	-	59	-
Prior period adjustments			-	-
<b>Allowances as at 1 April - restated</b>	<b>50</b>	<b>-</b>	<b>59</b>	<b>-</b>
Transfers by absorption	-	-	-	-
New allowances arising	-	-	47	-
Changes in existing allowances	17	-	-	-
Reversals of allowances	-	-	(55)	-
Utilisation of allowances (write offs)	-	-	(1)	-
Changes arising following modification of contractual cash flows	-	-	-	-
Foreign exchange and other changes	-	-	-	-
<b>Allowances as at 31 Mar 2024</b>	<b>67</b>	<b>-</b>	<b>50</b>	<b>-</b>

The Trust had small amounts of receivable that required credit losses to be recognised. Receivables are impaired when there is no likelihood of the debt being recovered in full. The impairment maybe based on legal advice, insolvency of debtors, or other economic factors. Impaired receivables are written off only when all available means of recovery have been exhausted. The nature of the Trust's business generally means that no collateral is held against outstanding receivables.

## Note 24.3 Exposure to credit risk

No material exposure to credit risk was identified at 31 March 2024.

**Note 25 Finance leases (Sheffield Health and Social Care NHS Foundation Trust as a lessor)**

The Trust does not have any lease arrangements classified as finance leases where the Trust is the lessor.

## Note 26 Other assets

No other assets held in 2023/24 or 2022/23.

## Note 27.1 Non-current assets held for sale and assets in disposal groups

	2023/24 £000	2022/23 £000
<b>NBV of non-current assets for sale and assets in disposal groups at 1 April</b>	<b>12,000</b>	<b>12,000</b>
Prior period adjustment		-
<b>NBV of non-current assets for sale and assets in disposal groups at 1 April - restated</b>	<b>12,000</b>	<b>12,000</b>
Transfers by absorption	-	-
Assets classified as available for sale in the year	-	-
Assets sold in year	-	-
Impairment of assets held for sale	-	-
Reversal of impairment of assets held for sale	-	-
Assets no longer classified as held for sale, for reasons other than sale	-	-
<b>NBV of non-current assets for sale and assets in disposal groups at 31 March</b>	<b>12,000</b>	<b>12,000</b>

The contract to sell Fulwood land and the adjacent leasehold car park was signed in December 2021.

Contracts to relocate headquarters were signed in March 2022 and the land was assigned as an asset held for sale for the financial year ending 31 March 2022. The sale has been delayed and is now expected to proceed in 2024/25 and so the land continues to be classified as an asset held for sale.

## Note 27.2 Liabilities in disposal groups

There were no liabilities relating to disposal groups in 2023/24 or 2022/23.

## Note 28.1 Cash and cash equivalents movements

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

	2023/24 £000	2022/23 £000
<b>At 1 April</b>	<b>53,715</b>	<b>58,757</b>
Prior period adjustments	-	-
<b>At 1 April (restated)</b>	<b>53,715</b>	<b>58,757</b>
Transfers by absorption	-	-
Net change in year	(14,751)	(5,042)
<b>At 31 March</b>	<b>38,963</b>	<b>53,715</b>
<b>Broken down into:</b>		
Cash at commercial banks and in hand	72	51
Cash with the Government Banking Service	38,891	53,664
Deposits with the National Loan Fund	-	-
Other current investments	-	-
<b>Total cash and cash equivalents as in SoFP</b>	<b>38,963</b>	<b>53,715</b>
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
<b>Total cash and cash equivalents as in SoCF</b>	<b>38,963</b>	<b>53,715</b>

## Note 28.2 Third party assets held by the trust

Sheffield Health and Social Care NHS Foundation 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 2024 £000	31 March 2023 £000
Bank balances	33	22
Monies on deposit	-	-
<b>Total third party assets</b>	<b>33</b>	<b>22</b>

**Note 29.1 Trade and other payables**

	<b>31 March 2024 £000</b>	<b>31 March 2023 £000</b>
<b>Current</b>		
Trade payables	1,265	1,009
Capital payables	2,705	3,170
Accruals	5,344	10,811
Receipts in advance and payments on account	-	-
Social security costs	1,284	1,258
VAT payables	-	-
Other taxes payable	1,188	1,058
PDC dividend payable	-	55
Pension contributions payable	1,689	1,530
Other payables	-	-
<b>Total current trade and other payables</b>	<b><u>13,475</u></b>	<b><u>18,891</u></b>
<b>Non-current</b>		
Trade payables	-	-
Capital payables	-	-
Accruals	-	-
Receipts in advance and payments on account	-	-
VAT payables	-	-
Other taxes payable	-	-
Other payables	-	-
<b>Total non-current trade and other payables</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Of which payables from NHS and DHSC group bodies:</b>		
Current	888	537
Non-current	-	-

**Note 29.2 Early retirements in NHS payables above**

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

	<b>31 March 2024 £000</b>	<b>31 March 2024 Number</b>	<b>31 March 2023 £000</b>	<b>31 March 2023 Number</b>
- to buy out the liability for early retirements over 5 years	-		-	
- number of cases involved				-

### Note 30 Other liabilities

	31 March 2024 £000	31 March 2023 £000
<b>Current</b>		
Deferred income: contract liabilities	414	1,365
Deferred grants	-	-
Deferred PFI credits / income	-	-
Other deferred income	-	-
<b>Total other current liabilities</b>	<b>414</b>	<b>1,365</b>
<b>Non-current</b>		
Deferred income: contract liabilities	-	-
Deferred grants	-	-
Deferred PFI credits / income	-	-
Other deferred income	-	-
Net pension scheme liability	-	209
<b>Total other non-current liabilities</b>	<b>-</b>	<b>209</b>

Changes in the net pension scheme liability is the result of independent professional actuary valuation commissioned by South Yorkshire Pension Authority. High UK corporate bond yields have resulted in high accounting discount rates which results in significantly lower values on pension obligations compared to previous years. As a result the pension scheme is showing as a net asset. However, as the Trust has no control of the asset and is unlikely to receive any benefit from the net asset value the asset ceiling of £0 has been applied. There is no asset or receivable balance recognised and liabilities have been reduced to zero (£209k in 2022/23).

### Note 31.1 Borrowings

	31 March 2024 £000	31 March 2023 £000
<b>Current</b>		
Lease liabilities	581	581
Obligations under PFI, LIFT or other service concession contracts	-	-
<b>Total current borrowings</b>	<b>581</b>	<b>581</b>
<b>Non-current</b>		
Lease liabilities	4,754	5,350
Obligations under PFI, LIFT or other service concession contracts	-	-
<b>Total non-current borrowings</b>	<b>4,754</b>	<b>5,350</b>

## Note 31.2 Reconciliation of liabilities arising from financing activities

	Loans from DHSC £000	Other loans £000	Lease Liabilities £000	Total £000
<b>Carrying value at 1 April 2023</b>	-	-	5,931	5,931
<b>Cash movements:</b>				
Financing cash flows - payments and receipts of principal	-	-	(596)	(596)
Financing cash flows - payments of interest	-	-	(56)	(56)
<b>Non-cash movements:</b>				
Transfers by absorption	-	-	-	-
Additions	-	-	-	-
Lease liability remeasurements	-	-	-	-
Application of effective interest rate	-	-	56	56
Change in effective interest rate	-	-	-	-
Changes in fair value	-	-	-	-
Early terminations	-	-	-	-
Other changes	-	-	-	-
<b>Carrying value at 31 March 2024</b>	-	-	5,335	5,335

	Loans from DHSC £000	Other loans £000	Lease Liabilities £000	Total £000
<b>Carrying value at 1 April 2022</b>	-	-	-	-
Prior period adjustment	-	-	-	-
<b>Carrying value at 1 April 2022 - restated</b>	-	-	-	-
<b>Cash movements:</b>				
Financing cash flows - payments and receipts of principal	-	-	(609)	(609)
Financing cash flows - payments of interest	-	-	(61)	(61)
<b>Non-cash movements:</b>				
Impact of implementing IFRS 16 on 1 April 2022	-	-	6,539	6,539
Transfers by absorption	-	-	-	-
Additions	-	-	-	-
Lease liability remeasurements	-	-	-	-
Application of effective interest rate	-	-	62	62
Change in effective interest rate	-	-	-	-
Changes in fair value	-	-	-	-
Early terminations	-	-	-	-
Other changes	-	-	-	-
<b>Carrying value at 31 March 2023</b>	-	-	5,931	5,931

## Note 32 Other financial liabilities

	31 March 2024 £000	31 March 2023 £000
<b>Current</b>		
Derivatives held at fair value through income and expenditure	-	-
Other financial liabilities	-	-
<b>Total current other financial liabilities</b>	-	-
<b>Non-current</b>		
Derivatives held at fair value through income and expenditure	-	-
Other financial liabilities	-	-
<b>Total non-current other financial liabilities</b>	-	-

**Note 33.1 Provisions for liabilities and charges analysis**

	Pensions: early departure costs £000	Pensions: injury benefits £000	Legal claims £000	Re- structuring £000	Equal Pay (including Agenda for Change) £000	Redundancy £000	Other £000	Total £000
<b>At 1 April 2023</b>	-	579	145	220	-	129	481	1,554
Transfers by absorption	-	-	-	-	-	-	-	-
Change in the discount rate	-	(33)	-	-	-	-	(33)	(66)
Arising during the year	-	22	52	-	-	-	25	99
Utilised during the year	-	(46)	(36)	-	-	-	(54)	(136)
Reclassified to liabilities held in disposal groups	-	-	-	-	-	-	-	-
Reversed unused	-	-	(59)	(220)	-	(53)	(42)	(374)
Unwinding of discount	-	13	-	-	-	-	10	23
<b>At 31 March 2024</b>	-	<b>535</b>	<b>103</b>	<b>0</b>	-	<b>76</b>	<b>387</b>	<b>1,101</b>
<b>Expected timing of cash flows:</b>								
- not later than one year;	-	48	103	-	-	76	21	248
- later than one year and not later than five years;	-	179	-	-	-	-	34	213
- later than five years.	-	308	-	0	-	-	332	640
<b>Total</b>	-	<b>535</b>	<b>103</b>	<b>0</b>	-	<b>76</b>	<b>387</b>	<b>1,101</b>

The provision of £535,000 relates to Injury Benefits which are payable to current and former members of staff who suffered injury at work. These cases were adjudicated by the NHS Pensions Authority. £535,000 is the payment due to claimants at the end of 2023/24 and payable over their expected life. The figures are adjusted for inflation and any increase in life expectancy (2022/23 £579,000).

Legal claims relate to claims brought against the Trust for Employer's Liability or Public Liability. These cases are handled by NHS Resolution, which provides estimates of the Trust's probable liability. Actual costs incurred are subject to the outcomes of court cases or legal out of court agreements. Settlement costs and legal costs may vary from the provisions put through the accounts. NHS Resolutions cover costs that are more than £10,000 for Employer's liability cases, and £3,000 for Public Liability cases.

The redundancy provision covers on-going staff redeployment and structural changes following de-commissioning of services.

Dilapidation provisions of £220,000 are included under the 'Other' heading. This provision was included for property leased by the Trust that required restructuring and redesign to suit the Trust's operational needs and standards.



### Note 33.2 Clinical negligence liabilities

At 31 March 2024, £2,139k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Sheffield Health and Social Care NHS Foundation Trust (31 March 2023: £4,504k).

### Note 34 Contingent assets and liabilities

	<b>31 March 2024 £000</b>	<b>31 March 2023 £000</b>
<b>Value of contingent liabilities</b>		
NHS Resolution legal claims	(58)	(50)
Employment tribunal and other employee related litigation	-	-
Redundancy	-	-
Other	-	-
<b>Gross value of contingent liabilities</b>	<b>(58)</b>	<b>(50)</b>
Amounts recoverable against liabilities	-	-
<b>Net value of contingent liabilities</b>	<b>(58)</b>	<b>(50)</b>
<b>Net value of contingent assets</b>	-	-

Legal claims contingent liabilities represent the consequences of losing all current third party legal claim cases. The contingent liabilities are based on the estimations provided by NHS Resolution for cases with a possibility of an outflow of resources of 50% or above.

### Note 35 Contractual capital commitments

	<b>31 March 2024 £000</b>	<b>31 March 2023 £000</b>
Property, plant and equipment	1,481	5,415
Intangible assets	417	-
<b>Total</b>	<b>1,898</b>	<b>5,415</b>

### Note 36 Other financial commitments

There are no other financial commitments at 31 March 2024.

## Note 37 Defined benefit pension schemes

### South Yorkshire Pensions Fund – Retirement Benefit Obligations

Some Trust employees who were transferred from Sheffield City Council elected to remain with the Local Government Pension Scheme, administered by the South Yorkshire Pensions Authority, which is a defined benefit pension scheme. The assets and liabilities attributable to these employees can be identified and are recognised in the Trust's accounts. The assets are measured at fair value, and the liabilities at the present value of future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The net interest cost during the year arising from the unwinding of the discount on the net scheme liabilities is recognised within finance costs. Re-measurements of the defined benefit plan are recognised in the income and expenditure reserve and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. These postings were previously offset by the terms of the partnership agreement which ceased in April 2023.

The terms of the previous partnership "back to back" agreement with Sheffield City Council ('the Council') provide that any long-term pension liability arising from the scheme would be funded by the Council, except for any pension changes which relate to salary increases more than any local government grading agreements. This has now been removed following the end of the partnership agreement and therefore the Trust does not recognise a receivable amount from Sheffield City Council in 2023/24.

The total defined benefit pension loss for 2023/24 in respect of the local government scheme administered by South Yorkshire Pensions Authority was £296,000 (2022/23 loss of £468,000).

A pension deficit of nil was included in the Statement of Financial Position as at 31 March 2024 following implementation of the asset ceiling (31 March 2023 - £209,000).

Estimation of the net liability to pay pensions depends on several complex judgements. A firm of consulting actuaries is engaged by South Yorkshire Pensions Authority to provide expert advice about the assumptions made, such as mortality rates and expected returns on pension fund assets.

of price inflation.

defined benefit scheme liabilities are:

	<b>2024</b>	<b>2023</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.40	3.60
Rate of increase in pension and deferred pensions	2.80	3.00
Discount rate	4.8	4.75

### Other assumption for valuations 2023/24

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females.

Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	<b>Males</b>	<b>Females</b>
Current pensioners	20.6 years	23.6 years
Future pensioners	21.4 years	25.0 years

\* Figures assume members aged 45 as at the last formal valuation date.

The fair value of the scheme's assets and liabilities recognised in the balance sheet were as follows:

	<b>Scheme Assets</b>		<b>Scheme Assets</b>	
	<b>31-Mar-24</b>		<b>31-Mar-23</b>	
	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>
Equities	19,696	70%	15,009	57%
Government Bonds		0%	1,480	6%
Other Bonds	5,846	21%	5,257	20%
Property	2,247	8%	4,459	17%
Cash / Liquidity/Other	394	1%	296	1%
<b>Total fair value of assets</b>	<b>28,183</b>	<b>100%</b>	<b>26,500</b>	<b>100%</b>
Present value of defined benefit obligation	(20,195)		(20,066)	
<b>Net retirement benefit deficit</b>	<b>7,988</b>		<b>6,434</b>	

IAS19 requires that rather than recognising the expected gain during the year from scheme assets in finance income and the interest cost during the year arising from the unwinding of the discount on the scheme liabilities recognised in finance costs; the net interest cost during the year is presented within finance costs. Actuarial gains and losses are not presented; rather the re-measurements of the defined benefit plan are disclosed and recognised in the income and expenditure reserve.

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

	2023/24 £000	2022/23 £000
<b>Present value of the defined benefit obligation at 1 April</b>	<b>(20,066)</b>	<b>(29,900)</b>
Transfers by absorption	-	-
Current service cost	(286)	(392)
Interest cost	(944)	(805)
Contribution by plan participants	(71)	(68)
Remeasurement of the net defined benefit (liability) / asset:		
- Actuarial (gains) / losses	430	10,496
Benefits paid	742	603
Past service costs	-	-
Business combinations	-	-
Curtailments and settlements	-	-
<b>Present value of the defined benefit obligation at 31 March</b>	<b>(20,195)</b>	<b>(20,066)</b>
<b>Plan assets at fair value at 1 April</b>	<b>19,857</b>	<b>26,599</b>
Transfers by normal absorption	-	-
Interest income	934	729
Remeasurement of the net defined benefit (liability) / asset:		
- Return on plan assets	-	-
- Actuarial gain / (losses)	1,105	(379)
- Changes in the effect of limiting a net defined benefit asset to the asset ceiling	(1,344)	(6,643)
Contributions by the employer	314	86
Contributions by the plan participants	71	68
Benefits paid	(742)	(603)
Business combinations	-	-
Settlements	-	-
<b>Plan assets at fair value at 31 March</b>	<b>20,195</b>	<b>19,857</b>
<b>Plan surplus/(deficit) at 31 March</b>	<b>-</b>	<b>(209)</b>

The SYPA scheme above had a net asset value as at 31 March 2024 of £7.987m as provided by the scheme's Actuary. However, an asset ceiling of £0 has been applied.

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

	<b>31 March 2024 £000</b>	<b>31 March 2023 £000</b>
Present value of the defined benefit obligation	(20,195)	(20,066)
Plan assets at fair value	20,195	19,857
<b>Net defined benefit (obligation) / asset recognised in the SoFP</b>	<b>-</b>	<b>(209)</b>
Fair value of any reimbursement right	-	136
<b>Net (liability) / asset after the impact of reimbursement rights</b>	<b>-</b>	<b>(73)</b>

In 2022/23 the Trust recognised a receivable balance with Sheffield City Council for the 'back to back' agreement of the transferred staff pension. In April 2023 the partnership agreement ended and therefore the receivable balance has been removed.

**Note 37.3 Amounts recognised in the SoCI**

	<b>2023/24 £000</b>	<b>2022/23 £000</b>
Current service cost	(286)	(392)
Interest expense / income	(10)	(76)
Past service cost	-	-
Gains/(losses) on curtailment and settlement	-	249
<b>Total net (charge) / gain recognised in SOCI</b>	<b>(296)</b>	<b>(219)</b>

The gain or loss on curtailment and settlement in 2022/23 was an adjustment to reflect the cost liability of Sheffield City Council in line with the terms of the partnership agreement. Following the end of that agreement in April 2023 the loss/gain for 2023/24 is nil.

## **Note 38 Financial instruments**

### **Note 38.1 Financial risk management**

IFRS 7, 'Financial Instruments: Disclosures', requires disclosure of the role that financial instruments have had during the period in creating or changing the risks faced by the Trust. Because of the continuing service provider relationship that the Trust has with NHS Integrated Care Boards and the way those Integrated Care Boards are financed, the Trust is not exposed to the degree of financial risk faced by other businesses. The Trust has limited powers to borrow or invest surplus funds on their own 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 within the parameters defined formally within the Trust's Standing Financial Instructions and policies agreed by the Board of Directors.

#### **Currency risk**

The Trust is principally a domestic organisation with 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.

#### **Credit risk**

As the majority of the Trust's income comes from contracts with NHS Integrated Care Boards and public sector bodies, they have low exposure to credit risk. The maximum exposure at the end of the financial year would be in receivables from customers, as disclosed in the receivables note.

#### **Liquidity risk**

Most of the Trust's operating costs are incurred under contracts with NHS Integrated Care Boards, local authorities and other government bodies which are financed from resources voted annually by Parliament. The Trust finances capital expenditure from funds from their cash reserves or through loans and funds from the PDC. Because of this, the Trust's exposure to liquidity risk is minimal.

### Note 38.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2024	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Trade and other receivables excluding non financial assets	8,033	-	-	8,033
Other investments / financial assets	-	-	-	-
Cash and cash equivalents	38,963	-	-	38,963
<b>Total at 31 March 2024</b>	<b>46,996</b>	<b>-</b>	<b>-</b>	<b>46,996</b>

Carrying values of financial assets as at 31 March 2023	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Trade and other receivables excluding non financial assets	10,965	-	-	10,965
Other investments / financial assets	-	-	-	-
Cash and cash equivalents	53,715	-	-	53,715
<b>Total at 31 March 2023</b>	<b>64,680</b>	<b>-</b>	<b>-</b>	<b>64,680</b>

### Note 38.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2024	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Loans from the Department of Health and Social Care	-	-	-
Obligations under leases	5,335	-	5,335
Obligations under PFI, LIFT and other service concession contracts	-	-	-
Other borrowings	-	-	-
Trade and other payables excluding non financial liabilities	9,314	-	9,314
Other financial liabilities	-	-	-
Provisions under contract	-	-	-
<b>Total at 31 March 2024</b>	<b>14,649</b>	<b>-</b>	<b>14,649</b>

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Loans from the Department of Health and Social Care	-	-	-
Obligations under leases	5,931	-	5,931
Obligations under PFI, LIFT and other service concession contracts	-	-	-
Other borrowings	-	-	-
Trade and other payables excluding non financial liabilities	16,496	-	16,496
Other financial liabilities	-	-	-
Provisions under contract	-	-	-
<b>Total at 31 March 2023</b>	<b>22,427</b>	<b>-</b>	<b>22,427</b>

#### 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.

	<b>31 March 2024 £000</b>	<b>31 March 2023 £000</b>
In one year or less	9,895	17,621
In more than one year but not more than five years	1,927	2,232
In more than five years	2,827	3,118
<b>Total</b>	<b><u>14,649</u></b>	<b><u>22,971</u></b>

#### Note 38.5 Fair values of financial assets and liabilities

The fair value of the Trust's financial assets and financial liabilities at 31 March 2024 equates to book value.



### Note 39 Losses and special payments

	2023/24		2022/23	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
<b>Losses</b>				
Cash losses	-	-	-	-
Fruitless payments and constructive losses	-	-	1	4
Bad debts and claims abandoned	-	-	-	-
Stores losses and damage to property	59	89	38	119
<b>Total losses</b>	<b>59</b>	<b>89</b>	<b>39</b>	<b>123</b>
<b>Special payments</b>				
Compensation under court order or legally binding arbitration award	-	-	-	-
Extra-contractual payments	-	-	-	-
Ex-gratia payments	7	1	12	2
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
<b>Total special payments</b>	<b>7</b>	<b>1</b>	<b>12</b>	<b>2</b>
<b>Total losses and special payments</b>	<b>66</b>	<b>90</b>	<b>51</b>	<b>125</b>
Compensation payments received				

### Note 40 Gifts

There were no gifts paid in 2023/24 (nil 2022/23)

#### Note 41 Related parties

Sheffield Health and Social Care NHS Foundation Trust is a corporate body established by order of the Secretary of State for Health.

During the year the Trust had transactions with several organisations with which key employees or directors of the Trust have some form of relationship. These are detailed below:

Related Party (Register of interest 2023/24)	Receipts from Related Party	Payments to Related Party	Amount due from related party	Amount owed to related party
	£'000	£'000	£'000	£'000
Leeds & York Partnership NHS Trust	13	21	-	8
NHS England	12,215	-	971	223
NHS Provider	-	29	-	-
Nottingham CityCare Partnership CIC	-	50	-	-
Royal College of Psychiatrists	41	20	7	7
Sheffield Flourish	-	211	-	30
Sheffield Hospitals Charity	58	-	21	-
Sheffield Teaching Hospitals	1,454	1,613	1,127	588
Tees Esk Wear Valley NHS FT	-	10	-	3
University of Sheffield	91	358	59	12
	<b>13,872</b>	<b>2,312</b>	<b>2,185</b>	<b>871</b>

The relationships are:

- One member of the board is a board/ trustee member and director of NHS Provider and part of the NHS England Chair's Advisory Group
- One Non-Executive Director is a board member of Nottingham City Care Partnership
- One Non-Executive Director is a board member at Sheffield Flourish and a Professor at University of Sheffield.
- One Director is a specialist advisor at Royal College of Psychiatrists and associate director of teaching and senior lecturer at University of Sheffield.
- One Director is a voting member of the Sheffield Hospitals Charity
- One Director is a National Specialty Advisor at NHSE/I, their spouse is a consultant at Sheffield Teaching Hospital
- One board member has a spouse employed in management capacity at Leeds & York Partnership NHS Trust
- One board member has a spouse employed in management capacity at Tees Esk Wear Valley NHS FT

Amounts owed to related parties are unsecured, interest-free and have no fixed terms of repayment. The balances will be settled in cash. No guarantees have been given or received. No expenses are recognised in year in respect of bad or doubtful debts due from related parties.

The Trust is required, under International Accounting Standard 24 'Related Party Disclosures', to disclose any related party transactions. The objective of IAS 24 is to draw attention to the possibility that the reported financial results may have been influenced by related parties. The Trust deals directly with the organisations listed above without any influence from the individuals that sit within their positions of influence.

There were no direct payments to related parties for 2023/24 (2022/23 £nil). Further details of Executive and Non-Executive Directors' salaries and pensions can be found in the Remuneration Report in the Annual Report.

#### Other related parties

The value of SHSC's transactions with other related parties during the year is given below:

	2023/24		2022/23	
	Income £000	Expenditure £000	Income £000	Expenditure £000
Department of Health and Social Care	2,076	-	2,242	-
Other NHS bodies *	142,372	2,213	139,425	2,444
Other WGA *	-	28,907	2	25,739
Other bodies *	4,013	170	8,454	15
	<b>148,461</b>	<b>31,290</b>	<b>150,123</b>	<b>28,198</b>

The value of receivables and payables balances held with related parties at 31 March 2024 was:

	2023/24		2022/23	
	Receivables £000	Payables £000	Receivables £000	Payables £000
Department of Health and Social Care	298	-	456	-
Other NHS bodies *	4,574	1,255	8,314	1,207
Other WGA	211	4,314	260	3,846
Other bodies	890	135	1,246	-
	<b>5,973</b>	<b>5,704</b>	<b>10,276</b>	<b>5,053</b>

The value of balances (other than salary) with related parties in relation to the provision for impairment of receivables as at 31 March 2024 have been raised where deemed appropriate.

The Department of Health and Social Care ("the Department") is the parent department of the Trust and is regarded as a related party.

During the year, the Trust had material transactions with the Department, and other entities for which the Department is regarded as the parent Department.

These entities are listed below:

- NHS South Yorkshire Integrated Care Board
- Health Education England
- NHS England - Yorkshire and the Humber Local Office
- NHS England - Yorkshire and the Humber Commissioning Hub
- NHS Derby and Derbyshire Integrated Care Board
- Derbyshire Healthcare NHS Foundation Trust
- Nottinghamshire Healthcare NHS Foundation Trust
- Rotherham Doncaster and South Humber NHS Foundation Trust
- Sheffield Children's NHS Foundation Trust
- Sheffield Teaching Hospitals NHS Foundation Trust
- Leeds and York Partnership NHS Foundation Trust
- NHS Resolution
- NHS Business Services Authority.

The Trust also had several transactions with central government departments and local government bodies, most significantly with:

- Sheffield City Council
- South Yorkshire Pension Authority
- HM Revenues and Customs

**Note 42 Prior period adjustments**

No prior period adjustments reported at 31 March 2024.

## Section 5.0 Glossary

### **Accounts Payable (Creditor)**

A supplier who has delivered goods or services in the accounting period and has invoiced the Trust, but has not yet been paid.

### **Accounts Receivable (Debtor)**

An organisation which has received a service from the Trust in the accounting period and has been invoiced by the Trust, but has not yet paid.

### **AfC – Agenda for Change**

Agenda for Change (AfC) is the current grading and pay system for NHS staff, with the exception of doctors, dentists, apprentices and some senior managers.

### **Amortisation**

Depreciation of Intangible Assets.

### **Annual Governance Statement (AGS)**

A statement about the controls the Foundation Trust has in place to manage risk.

### **Annual Accounts**

Documents prepared by the Trust to show its financial position.

### **Annual Report**

A document produced by the Trust which summarises the Trust's performance during the year, including the annual accounts.

### **Asset**

Something which is owned by the Trust. For example, a building or a piece of equipment, some cash or an amount of money owed to the Trust.

### **Audit Opinion**

The auditor's opinion of whether the Trust's accounts show a true and fair view of its financial affairs. If the auditors are satisfied with the accounts, they will issue an unqualified audit opinion.

### **Available Held for Sale (AHFS)**

Assets are classed as available for sale if they are held neither for trading nor to maturity. An example of this would be an investment without a maturity date such as an ordinary share.

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

Outlines risks to delivery of the Trust's strategic aims and priorities.

### **Budget**

Represents the amount of money available for a service in a period of time and is compared to actual spend for the same period.

## **Capital Expenditure**

Money spent on buildings and valuable pieces of equipment such as major computer purchases.

## **Cash and cash equivalents**

Cash includes cash in hand and cash at the bank. Cash equivalents are any other deposits that can be converted to cash straight away.

## **Cash Equivalent Transfer Value (Pensions)**

This is the total value of the pension scheme benefits accrued (i.e. saved up) which are the contributions paid by a member of staff and the Trust over the period of employment.

These funds are invested and valued at a point in time by an actuary. The cash equivalent transfer value is the amount which would be transferred, if a staff member moved to work for a different organisation.

## **Control Total**

An agreed financial control total for all NHS Providers, calculated on a Trust-by-Trust basis and designed to ensure the NHS provider sector achieves financial balance.

Access to the Provider Sustainability Fund is dependent on agreement and delivery of the control total.

## **Corporation tax**

A tax payable on a company's profits. Foundation Trusts may have to pay corporation tax in the future. The legislation introducing corporation tax to Foundation Trust has been deferred and 2011/2012 was the first year that Government introduced corporation tax to Foundation Trusts.

## **Care Quality Commission (CQC)**

The independent regulator of all health and social care services in England.

## **CQUINs**

Commissioning for Quality and Innovation payments framework were set up in 2009/10 to encourage care providers to continually improve how care is delivered.

## **Current Assets**

These are assets, which are normally used or disposed of within the financial year.

## **Current Liabilities**

Represents monies owed by the Trust that are due to be paid in less than one year.

## **Deferred Income**

Funding received from another organisation in advance of when we will spend it.

## **Depreciation**

An accounting charge which represents the use, or wearing out, of an asset. The cost of an asset is spread over its useful life.

## **Department of Health and Social Care (DHSC)**

DHSC is a ministerial department that supports ministers to lead the nation's health and social care.

## **EBITDA**

Earnings Before Interest, Tax Depreciation and Amortisation - this is an indicator of financial performance and profitability and indicates the ability to pay the dividends due to the Government in respect of the 3.5% return on assets the Trust is expected to achieve.

## **EPR**

Electronic Patient Record

## **External Auditor**

The independent professional auditor who reviews the accounts and issues an opinion on whether the accounts present a true and fair view.

## **Finance lease**

An arrangement whereby the party leasing the asset has most or all of the use of an asset, and the lease payments are akin to repayments on a loan.

## **Financial statements**

Another term for the annual accounts.

## **Foundation Trust Annual Reporting Manual (FT ARM)**

The guidance document, published annually by NHS England, sets out the accounting requirements for Foundation Trust's Annual Report. Previously included technical guidance on the Accounts, which is now provided within the Department of Health and Social Care (DHSC) Government Accounting Manual.

## **Going concern**

The accounts are prepared on a going concern basis which means that the Trust expects to continue to operate for at least the next 12 months.

## **DHSC Government Accounting Manual (GAM)**

Provides the accounting guidance for all NHS bodies, now including Foundation Trusts. Guidance specific to Foundation Trusts in respect of the Annual Report is still included in the Foundation Trust Annual Reporting Manual (FT ARM).

## **IFRS (International Financial Reporting Standards)**

The professional standards organisations must use when preparing the annual accounts.

## **Impairment**

A decrease in the value of an asset.

## **Income and Expenditure Reserve**

This is an accumulation of transfers to / from the Revaluation Reserve as well as the cumulative surpluses and deficits reported by the Trust, including amounts brought forward from previous years.

### **Intangible asset**

An asset which is without substance, for example, computer software.

### **Inventories**

Stocks such as clinical supplies, medical equipment, pharmacy stock.

### **Liability**

Something which the Trust owes, for example, a bill which has not been paid.

### **Liquidity ratio**

Liquidity is a measure of how easily an asset can be converted into cash. Bank deposits are very liquid, debtors less so. The liquidity ratio is a measure of an entity's ability to meet its obligations, in other words how well it can pay its bills from what it owns.

### **MEA (Modern Equivalent Asset)**

This is an instant build approach, using alternative site valuation in some circumstances.

### **Net Book Value**

The net book value is the lower of the cost to the business to replace a fixed asset or the recoverable amount if the asset was sold (net of expenses).

### **NICE**

National Institute for Health and Care Excellence. NICE provide independent, evidence based guidance on the most effective ways to prevent, diagnose and treat disease and ill health, reducing inequalities and variation.

### **NIHR**

National Institute for Health Research. The NIHR is a large, multi-faceted and nationally distributed organisation, funded through the Department of Health and Social Care to improve the health and wealth of the nation through research.

### **Non-current assets held for sale**

Buildings that are no longer used by the Trust and declared surplus by the Board, which are available for sale.

### **Non-current asset or liability**

An asset or liability which the Trust expects to hold for longer than one year.

### **Non-Executive Director**

These are members of the Trust's Board of Directors; however they do not have any involvement in the day-to-day management of the Trust. Their role is to provide the Board with independent challenge and scrutiny.

## **Operating lease**

An arrangement whereby the party leasing the asset is paying for the provision of a service (the use of the asset) rather than exclusive use of the asset.

## **Payment By Result/Payment by Outcomes**

A national tariff of fixed prices that reflect national average prices for hospital procedures. Already in use in acute Trusts and currently being developed for mental health and learning disabilities services.

## **POMH**

The national Prescribing Observatory for Mental Health (POMH-UK) aims to help specialist mental health Trusts/healthcare organisations improve their prescribing practice.

## **Primary statements**

The four main statements that make up the accounts: the Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Taxpayers' Equity; and Statement of Cash Flows.

## **Provisions for Liabilities and Charges**

These are amounts set aside for potential payments to third parties, which are uncertain in amount or timing, for example, claims arising from litigation.

## **Provider Sustainability Fund (PSF)**

PSF replaces the 'Sustainability and Transformation Fund' (STF) from year 2018/19 and it is the additional funding administered by NHS Improvement, which is intended to incentivise Trusts to achieve their Control Totals. It breaks down into three areas - Finance, General Distribution and Bonus.

## **Public Dividend Capital (PDC)**

This is a type of public sector equity finance based on the excess of assets over liabilities at the time of the establishment of the predecessor NHS Trust. It is similar to a company's share capital.

## **Public Dividend Capital Payable (PDC Payable)**

This is an annual amount paid to the Government for funds made available to the Trust.

## **Reference Cost**

The costs of the Trust's services are produced for the Department of Health for comparison with other similar Trusts.

## **Revaluation Reserve**

This represents the increase or decrease in the value of property, plant and equipment over its historic cost.

## **Section 136**



Section 136 is part of the Mental Health Act that gives police emergency powers to detain an individual if they think they have a mental disorder, they're in a public place and need immediate help. A Section 136 suite is a facility for people who are detained by the Police under Section 136 of the Mental Health Act.

### **Service Line Reporting (SLR)**

A system which identifies income and expenditure and then produces gross profit across defined 'business units', with the aim of improving quality and productivity.

### **System Oversight Framework**

The System Oversight Framework is designed to help NHS providers attain, and maintain, ratings of 'Good' or 'Outstanding'. The Framework doesn't give a performance assessment in its own right. It applies from 1 October 2016 and replaces the Monitor Risk Assessment Framework and the NHS Trust Development Authority Accountability Framework.

### **South Yorkshire Integrated Care System (ICS)**

Integrated Care Systems are a way of working, collaboratively, between a range of health and social care organisations, to help improve people's health. South Yorkshire ICS is a group of local Organisations that embrace similar aims in the provision of the broad spectrum of healthcare.

### **Statement of Cash Flows (SOCF)**

Shows the cash flows in and out of the Trust during the period.

### **Statement of Changes in Taxpayers' Equity (SOCITE)**

This statement shows the changes in reserves and public dividend capital during the period.

### **Statement of Comprehensive Income (SOCI)**

This statement was previously called 'Income and Expenditure Account'. It summarises the expenditure on pay and non-pay running costs less income received, which results in a surplus or deficit.

### **Statement of Financial Position (SOFP)**

A year-end statement which provides a snapshot of the Trust's financial position at a point in time. The top half shows the Trust's total net assets (assets minus liabilities). The bottom half shows the Taxpayers Equity or investment in the Trust.

### **Third Sector Organisations**

This is a term used to describe the range of organisations that are neither public sector nor private sector. It includes voluntary and community organisations (both registered charities and other organisations such as associations, self-help groups and community groups), social enterprises, mutuals and co-operatives.

### **True and fair**

It is the aim of the accounts to show a true and fair view of the Trust's financial position, that is they should faithfully represent what has happened in practice.

## **UK GAPP (Generally Accepted Accounting Practice)**

The standard basis of accounting in the UK before international standards were adopted.

### **Unrealised gains and losses**

Gains and losses may be realised or unrealised. Unrealised gains and losses are gains or losses that the Trust has recognised in its accounts but which are potential as they have not been realised. An example of a gain that is recognised but unrealised is where the value of the assets has increased. This gain is realised when the assets are sold or otherwise used.

### **Use of Resources Metric**

The new approach replacing the previous Financial Sustainability Risk Rating. The Use of Resources rating measures 5 metrics; Capital Service Cover, Liquidity, Income and Expenditure Margin, Income and Expenditure Variance from Plan and Agency spend, with equal weightings (1 being the highest overall score). The Financial Sustainability Risk Rating previously only measured the first four on equal weightings.

### **VCSE**

Voluntary, Community and Social Enterprise

## Section 7.0 Contacts

### Address

Sheffield Health and Social Care NHS Foundation Trust  
Centre Court,  
Atlas Way  
Sheffield,  
S4 7QQ

### Telephone

0114 2716310 (24 hour switch board)

### Website

[www.shsc.nhs.uk](http://www.shsc.nhs.uk)

### Communications

If you have a media enquiry, require further information about our Trust or would like to request copies of this report please contact the Communications Team.

**Email:** [communications@shsc.nhs.uk](mailto:communications@shsc.nhs.uk)

**Telephone:** 0114 2264082

### Membership

If you want to become a member of the Trust or want to find out more about the services we provide, please contact the Board Secretary on 0114 2718825.

### Contacting members of the Council of Governors

The Governors can be contacted by emailing [governors@shsc.nhs.uk](mailto:governors@shsc.nhs.uk) or by phoning 0114 2718825.

### Freedom of Information

To make a Freedom of Information Act request, please email [FOI@shsc.nhs.uk](mailto:FOI@shsc.nhs.uk)

For more information or if you would like this document provided in a different language or large print please contact:

Communications Department  
Sheffield Health and Social Care NHS Foundation Trust  
Centre Court,  
Atlas Way  
Sheffield,  
S4 7QQ

**Telephone:** 0114 2264082

**Email:** [shsc@infreemation.co.uk](mailto:shsc@infreemation.co.uk)



