Shropshire Community Health
NHS Trust

Annual Report and Accounts 2023/24

Shropshire Community Health NHS Trust

Annual Report and Accounts 2023/24

Presented in accordance with the NHS Group Accounting Manual 2023/24
pursuant to the Companies Act 2006

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Annual Report and Accounts 2023/24

About this document

This document fulfils the Annual Reporting requirements for NHS trusts.

Copies of this document are available from our website at www.shropscommunityhealth.nhs.uk, by email to shropcom.communications@nhs.net, or in writing from: Chief Executive's Office, Shropshire Community Health NHS Trust, Ptarmigan House, Shrewsbury Business Park, Shrewsbury, SY2 6LG

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Foreword

Welcome from the Acting Chair

It is my great pleasure to welcome you to our Annual Report and Accounts for 2023/24.

My first year as Acting Chair has been an incredibly busy one that has seen us celebrating a number of successes for the Trust thanks to the wonderful staff who make up our organisation.

We've seen colleagues nominated and winning a series of national awards that is testament to the fantastic talent we are lucky to have here at ShropCom. It has been a real pleasure to hear not only about our staff being recognised for their achievements on a national level, but also, those who we have been able to recognise through Chairs Awards and the inspirational patient stories myself and the rest of the Trust Board have been fortunate to hear.

Our focus this year has been to continue with the delivery of high-quality care to patients as well as the development of our organisation with the introduction and progression of several new services. Patricia, I and the rest of the Trust Board are extremely grateful for the hard work and dedication from all colleagues across the organisation who have supported these programmes of work. We have also worked collaboratively with a range of partners and local communities to both improve current services and develop new ones. I have been inspired by the way our partners and local communities have worked with us and would like to say a big thank you.

Engaging with staff and listening to ideas on how we can improve not only our service offer but the culture in which we all work, has been incredibly rewarding and insightful. It has been a year of us engaging with and learning from our staff across the Trust. We have started to put this learning into place and most importantly will continue with this engagement and learning as we take the organisation forward.

I have really enjoyed our Non-executive Director visits over the year, where we have had the chance to get out and about to meet staff in their place of work. The visits have been incredibly beneficial and have not only provided staff with the opportunity to get to know us better, but also for us to get to learn first-hand about the wonderful work our teams do on a day-to-day basis. The back to the floor activity launched to celebrate the NHS 75th anniversary was another great example of this, where several of our Executive colleagues went back to the floor in roles they started in originally with the NHS. This is something we are looking forward to doing again this year as it received such a fantastic response from staff.

Looking to the year ahead, it is set to be another exciting year of learning and development here at ShropCom. Finally, I would like to say a huge thank you to all our brilliant staff, our team of amazing volunteers and those individuals who do incredible work for the various Community Hosptials' League of Friends. The dedication, hard work, commitment and support from everyone makes this Trust a great place to work.

I hope you enjoy this Annual Report and Accounts and I look forward to your continued support in 2024/25. If you would like to look at things in a bit more detail. Most of this information can also be found on our website at **www.shropscommunityhealth.nhs.uk**

Tina Long, Acting Chair

Performance Report

Performance Overview

The first section of the Annual Report and Accounts provides an overview of our performance over the last 12 months. This is a summary of who we are, what we do and how we have performed against our objectives during the year.

Chief Executive's Review of the Year

This year have been jam-packed with us celebrating a plethora of staff successes and achievements. Developing and delivering new and innovative services. Alongside starting to lay important foundation for positive change here at the Trust.

As always, our staff are the stars of the organisation. It's been another great yea of achievements by our talented members across ShropCom. Colleagues have been nominated for a series of national awards including the HSJ Awards, the NIHR CRN WM training development award and Shining research star award and the Outstanding Mentor Award of the year. And our digital team are leading the way in innovation and have been nominated for a national award also. I am very much looking forward to seeing the successes this year brings and to coming together as a Trust to recognize and celebrate them.

This year has also brought with it a number of challenges and we have, therefore, made sure we've spent time (and continue to spend time) reflecting on what we do well, alongside the areas we can improve and evolve. I understand and I am fully committed to continuing to build a future for ShropCom that ensures we are a great place to work. And I know that to do this we need to work with staff across the organisation, to help us not only lay the foundations for change, but to build upon them.

With the mission very much at the at the forefront of the minds of myself and our Executive team, the last 12 months have seen us start to deliver a series of engagement events to really get under the skin of what staff love about ShropCom and what really makes their teeth itch. These sessions have been incredibly helpful and insightful, and we are now looking to develop an annual programme of staff engagement to enable us to keep staff fully abreast of what we are doing. And, to ensure the voices of staff run throughout the development of the organisation.

An important part of strengthening our foundations here at ShropCom is to strengthen the skills and development of our staff. Ensuring our colleagues have the opportunity to keep learning and progressing their careers within the Trust is paramount to us. A fine example of career development this year is with our very own Claire Horsfield who I was thrilled to welcome to our Exec Team as Chief Operating Officer and AHP Lead. Claire started her career with the NHS as a Physio and is living testament of the fantastic career progression that is available for those who feel it is the right path for them. And is something we want to continue to champion as loudly as possible!

Over the last several months we have launched a number of initiatives with career development in mind,

Performance Report

including the Developing Aspirant Leaders Programme designed to assist ethnic minority nurses and midwives who aspire to attain senior leadership positions; The Leader's forum established to enable leaders to come together for a more of joined-up approach between clinical and non-clinical leaders. And, we have seen the first graduates from our Aspiring Leaders course. Following the success of these initiatives we will be looking towards delivering others over the next 12 months.

Staff voices and opinions are centric to our organisation and listening to these over the last 12 months has delivered a clear message that we need to work on developing the culture here at ShropCom. Making positive and authentic changes to our culture will not happen overnight. It is going to be a steady evolutionary process that involves a lot of listening to staff, a lot of understanding the areas we can do better and then effectively implementing visible changes that enable us all to be a part of living and breathing the ShropCom culture and values. This will be our ongoing mission as we move through this year and the years that follow.

The services we provide have also started to evolve over the past 12 months with the development of Virtual Wards, the launch of the new MSK service and the launch of our Rehab and Recovery wards.

These are 3 exciting programmes of work for us here at ShropCom and are a fantastic example of how we've been working successfully with our system partners to deliver the best quality of care to our patients. The MSK service, MSST brings together all of the MSK services across Shropshire; Our Virtual Ward service is now in the upper quartile of performance nationally. And, our Rehab and Recovery wards offer a ground-breaking service, with no other example of community services stepping into the acute space and providing subacute care, in partnership with acute colleagues. All programmes of work and services that we are incredibly proud of.

Looking to our service development for next year I am extremely pleased that thanks to a successful tender for 0-19 services we will be welcoming the Dudley and Black Country 0-19 services to ShropCom. It goes without saying that I am incredibly proud of the hard work and professionalism of the 0-19 team behind the tender and we are all looking forward to welcoming our new colleagues to the ShropCom family. The successful tender has been the cherry on top of the cake for our 0-19 service who have wowed us throughout the year with a number of staff being asked to sit on national clinical panels. This is a real testament to their skill and professionalism.

Our dental team are another set of ambitions and proactive colleagues who have been busy hosting a number of Healthy Smile roadshows across the county as well as their big bottle swap campaign. With the big focus being on educating parents/carers and children on teeth health and playing a huge role in educating our community on good oral health care.

The ShropCom prison health service has also had a health and wellbeing focus launching a series of initiatives at HMP Stoke Heath. Their Social Prescribing programme is incredibly innovative and offers a series of wellbeing focused workshops and activities. Truly inspirational stuff!

A well-publicised challenge of the Trust over the last year has been the temporary closure of the inpatient service at Bishop's Castle Community Hospital. It has been a period of intense pressure for staff and the local community alike. However, following a dedicated workforce and recruitment plan, an engaging recruitment campaign and working collaboratively with the local community, stakeholders and staff we were thrilled to announce in our April public Board that we will be reopening beds. The Trust Board and I made a commitment to reopen the beds if safe to do so and we are thrilled to be working on the plan for the re-opening of the service.

We have many Learnings from the cohesive way we worked with the community and stakeholders in Bishop's Castle, and we will be looking at how we can use this model of working in other programmes of work, in particular when looking at our future recruitment plans.

Performance Report

I, and the Trust Board, are now looking forward to building on the learnings of last year and to working with colleagues across the organisation to build a future for ShropCom that is exciting, inclusive and makes us feel proud. I feel extremely privileged to work within the Shrop-Com community of fabulous fold and would like to take this opportunity to than everyone for their continued hard work and dedication.

Thank you,

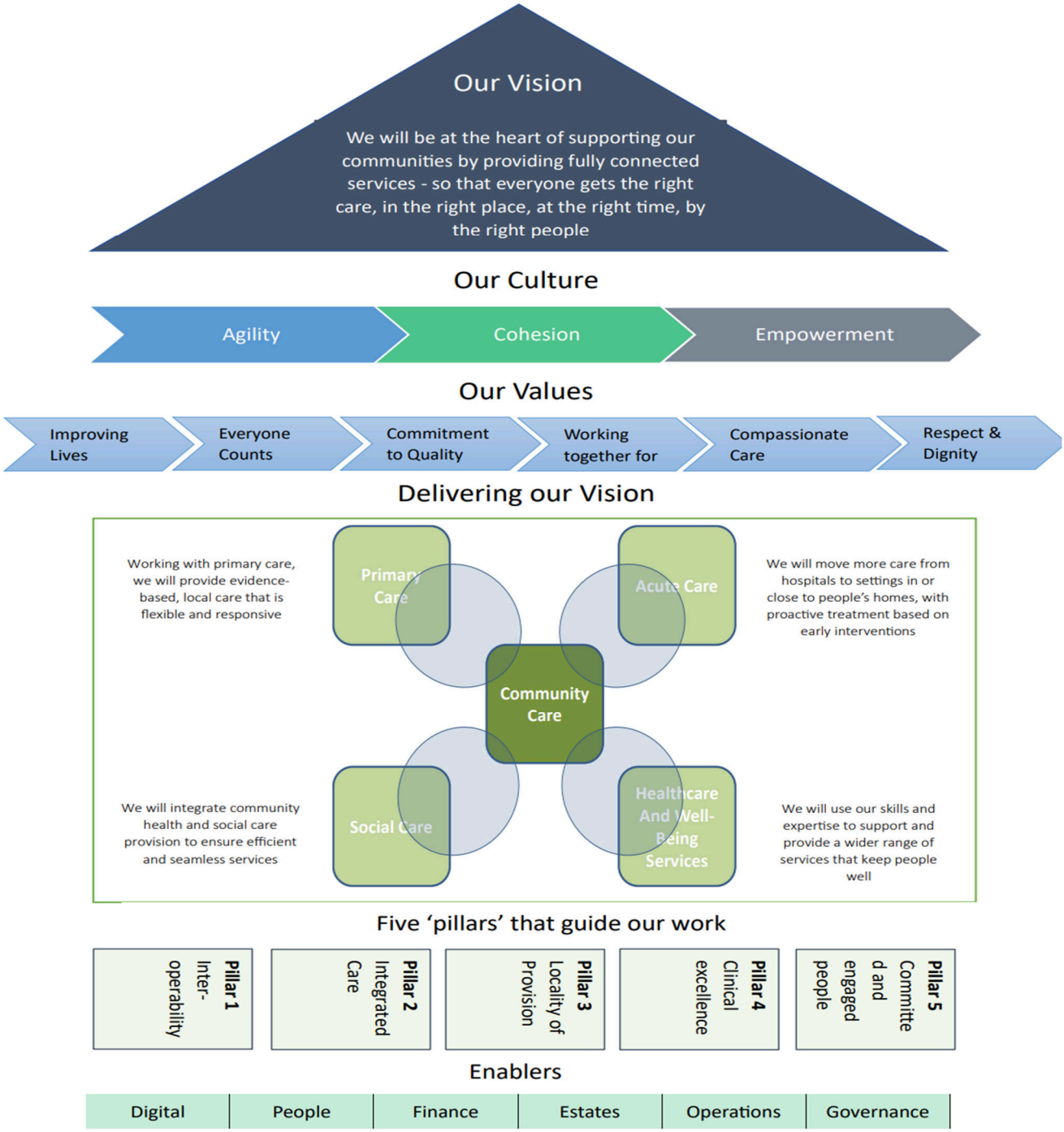
Patricia Davies, Chief Executive

Performance Report: Performance Overview

Our Vision and Values

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

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



Performance Report: Performance Overview

Introducing Shropshire Community Health

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

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

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

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

Most of our work is with people in their homes, in community centres and clinics. A very small number of people also receive inpatient care in our community hospitals. Good community health services prevent the need for some patients to be admitted to hospital, including those with chronic conditions such as diabetes, asthma, chest disease, arthritis, hypertension, osteoporosis and stroke. People have told us that we should help patients manage their own condition and stay healthy enough not to have to spend time in hospital, unless they really need to. This is especially important as we continue to care for an ageing population. We also have community teams that specifically work with patients who need additional or short-term care and support to help them return home from hospital as quickly as possible, or to avoid being admitted in the first place. We have introduced 2 innovative services without Virtual Ward Service and Rehabilitation and Recovery Units. Virtual Ward provides consultant let care to a patient in their own home. The team consist of Doctors, Pharmacists, Nurses, Occupational Therapists, Physiotherapists, Paramedics, and Support workers. We currently have three pathways: Frail, Complex and Respiratory. The Virtual Ward service is open to all patients over the age of 18 who are registered with a Shropshire, Telford or Wrekin GP, regardless of where they live.

We work collaboratively with our acute System partners to provide 2 Rehabilitation and Recovery Units based at the Princess Royal Hospital (PRH) and the Royal Shrewsbury Hospital (RSH). The Rehabilitation & Recovery Units provide rehabilitative care to adult patients who require ongoing nursing and medical care alongside intensive rehabilitation and support before returning to their place of home.

As a pivotal partner within the Shropshire, Telford and Wrekin integrated care system, we understand that high quality community services are vital to helping people live well within their own homes.

Performance Report: Performance Overview

Key Facts:

- Organisation formed in 2011
- Serve a population of almost 500,00
- Employ circa 1600 staff
- Spent £113.8 m delivering services
- Provide services from more than 75 sites

Performance Report: Performance Overview

Who we are and what we do.

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

We provide a wide range of community health services to about 497,000 adults and children in their own homes, local clinics, Virtual Ward, health centres, Rehabilitation and Recovery units, GP surgeries, schools and our community hospitals in Bishop's Castle, Bridgnorth, Ludlow and Whitchurch.

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

We are part of the Shropshire, Telford and Wrekin Integrated Care System. As a provider of community NHS services, we receive most of our income from the Shropshire, Telford and Wrekin Integrated Care Board (ICB), the organisation responsible locally for buying (commissioning) a wide range of health services for patients. In 2023/24 our total income for the year was £113.3 million. You can find out more about how we get and spend our money in the Directors Report and Annual Accounts.

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

We provide community services across the county and work closely with the other providers (The Shrewsbury and Telford Hospital NHS Trust, The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust and Midland Partnership NHS Foundation Trust) and many other organisations to care for the population of Shropshire. In the latter part of 2023-24 the Trust established a Committee in Common with these providers to oversee closer partnership and collaborative working.

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

Performance Report: Performance Overview

Our Services

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

Urgent Emergency Care	Adult Community services	Planned Care	Children, Young People & Families	Vaccinations	Corporate/ Support Services
• Virtual wards • Rapid Response • Care Home VW • ACP in Care Homes • Single Point of Referral (SPR) • Long Covid coordination (SPR) • Capacity Hub Complex discharge Discharge liaison	• Community Hospitals • Rehab and recovery units • Community nursing • Community therapy/IDT • MIU • Admiral nursing • Community Neuro Rehab Team CNRT • Respiratory • Pulmonary Rehab • Tissue Viability • Wound Healing • Continence • Diabetes • Diagnostic Assessment & Access to Rehab & Treatment (DAART)	•Advanced primary care services (APCS) •Community consultant outpatients •Prison Healthcare •Falls (Prevention) •Podiatry •TeMS musculoskeletal service •Shropshire Physio •Day surgery unit (Bridgnorth) •CES •Wheelchair services •Dental services	• Child development centres (CDC) • Community paediatrics • Child health and audiology • Children's therapy services • Community children's nurses • Paediatric diabetic specialist nursing • School nurses • Special school nursing • Family nurse partnership (FNP) • Health visitors • Childrens Imms & Vaccs	• Covid-19 vaccination service • Neutralising monoclonal antibodies (nMABS)	• Finance • Workforce/HR • Organisational Development • IT and Informatics • Hotel Services • Administration Support • Business Development • Performance • Complaints and PALS • Emergency Planning • Patient Experience and Involvement • Assurance (non- • clinical) • Quality • Communications and Marketing • Pharmacy • Emergency planning

Our Service Delivery Groups (SDGs) manage the clinical services that provide direct care and support for our patients their families, and carers, this reflects the growth we have seen over the last two years across our incredible community services. Then, wrapped around our frontline staff, we have a range of corporate and support services.

Within the Urgent Care Service Delivery Group, we have successfully grown and embedded the Virtual Ward; Virtual wards allow patients to get the care they need at home safely and conveniently, rather than being in hospital. This has significantly enhanced the Rapid Response services that was established in SCHT in 2022.

Following the Integrated Discharge Team (IDT) joining SCHT in January 2023 this year we also opened 46 Rehab and Recovery beds across two wards based at Royal Shrewsbury Hospital and Princess Royal Hospital. This has been a great joint venture with Shrewsbury and Telford Hospital and in partnership through clinical leadership we have redesigned stroke, orthopaedic and frailty rehab pathways to enhance patient flow and further strengthen positive outcome for our patients.

This year we have also been working towards the integration of the 0-19 Dudley Teams into Shropshire for 2024/25 following the award of a successful tender. This is a great opportunity for us to further enhance and grow our children's division and strengthen our working relationships with our local authority partners across Shropshire, Telford and Dudley.

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

Performance Report: Performance Overview

How we are funded and how we spend our money

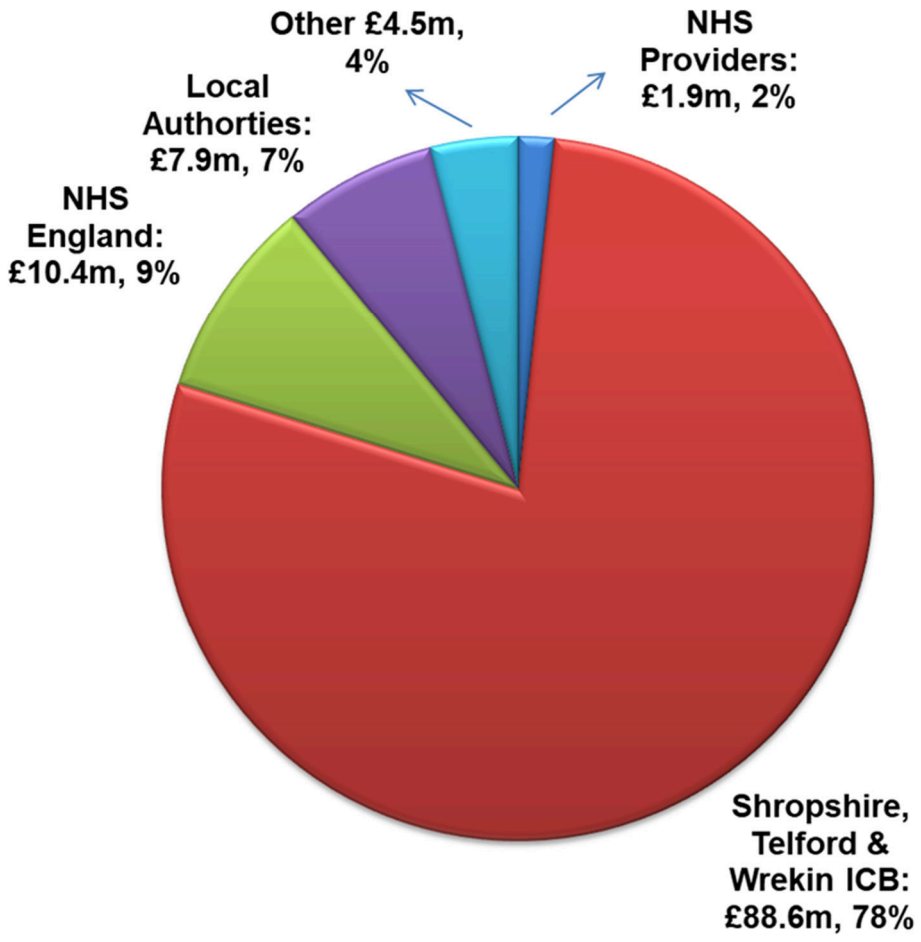
This section provides a very brief overview of how our finances are managed. You can find out more about our finances in the Remuneration Report and the Annual Accounts.

We receive most of our income from NHS commissioners, including Integrated Care Boards, NHS England, and Local Health Boards in Wales as well as from Local Authorities.

Our commissioners purchase healthcare services from us covering all age groups, including health visiting, district nursing, dentistry, rehabilitation, inpatient care at our community hospitals, outpatient appointments and prison healthcare. We work closely with our health and social care partners to prevent unnecessary hospital admissions and support early discharge where appropriate to do so.

For the 2023/24 financial year the Trust's total income was £113.3 million and most of this came from Shropshire, Telford & Wrekin ICB, with additional income received from organisations including NHS England and Local Authorities. As in previous years, much of the Trust's income was in the form of block contract arrangements.

The chart below shows where we get our money from:



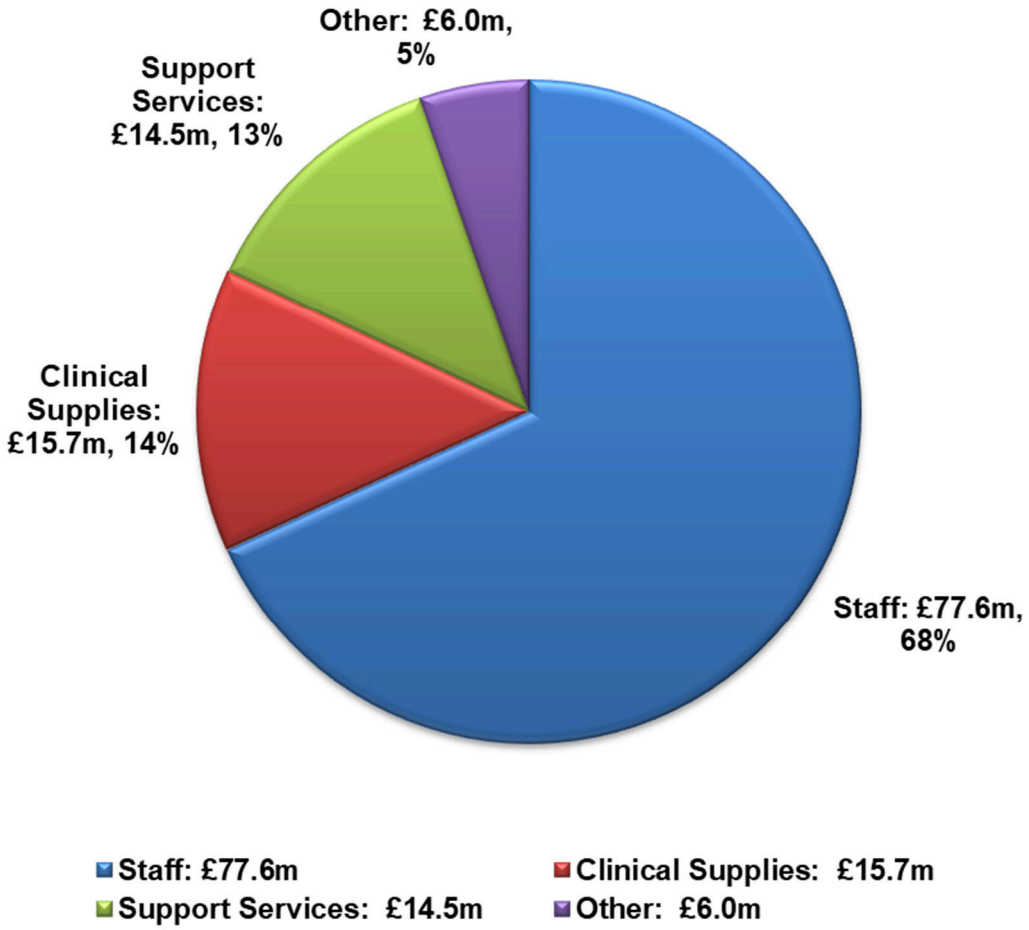
Performance Report: Performance Overview

The income we receive is used to fund the services we provide, the most significant element of which is to pay our people. In 2023/24 we spent about £113.8 million delivering services.

Overall spend has been summarised into four main areas below:

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

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



2023/24 Financial Results

The Trust delivered an adjusted surplus of £224k for the year compared to our plan to breakeven. After allowing for the revaluation of our land and buildings, which resulted in an overall reduction of in their value, the retained deficit for the year was £459k.

Performance Report: Performance Overview

The Trust is pleased to have again met all statutory financial duties for the year.

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

Performance Report: Performance Overview

2023/24: A Performance Summary

It has been another challenging year, which has left us with plenty to celebrate whilst continuing to learn and improve.

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

- The Trust has maintained its rating of Good overall for its services, working with the CQC to assess ourselves against the regulator's standards.
- We met our planned financial targets.
- We continued to successfully deliver our Covid Vaccination Service
- Developed & strengthened joint partner working across the system on several programmes of work including Virtual Ward, addressing health inequalities and the successful delivery of the IDT service.
- Opened two rehabilitation and recovery units on the acute sites in Shrewsbury and Telford to provide a bridge between community and acute care.
- The Trust and staff have been recognized with a series of national awards and work of the Trust recognized nationally.
- The Trust has continued its work on the Armed Forces Covenant
- We have had a real focus on recruitment and retention.

Key Challenges, Issues and Risks

- **Recruitment challenges and restrictions impacting on staff morale:** Additional scrutiny of non-patient facing roles resulting in vacancies not being recruited to / recruitment temporarily paused with an impact on the remaining staff. Corporate areas being significantly affected. Inability to meet safe staffing standards and reduce reliance on agency staff.

- **Ability to transition to the Learning from Patient Safety Events system:** Potential for noncompliance with patient safety standards and limitations to external reporting when NRLS is taken down.

- **Demand exceeds capacity:** Inability to restore activity levels resulting in increased waiting times and poor patient experience. Inability to meet national waiting time standards.

- **Costs exceeding plan:** Non delivery of plan resulting in escalation within the system oversight framework, inability to invest in and transform services.

Performance and Managing Risk

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

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

Performance Report: Performance Overview

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

For furthermore detailed information about the Trust's risk management controls, please refer to the Corporate Governance Statement contained within this report.

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

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

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

In addition, the Trust has in place processes to ensure it is able to respond to unexpected events and mitigate any potential impacts. The Trust has made the following commitment in this regard:

'The Trust is committed to Emergency Preparedness, Resilience and Response (EPRR) and business continuity management. We will work internally and with partner organisations to increase and test our organisational resilience. Better resilience and collaboration with responder agencies will enable the Trust to continue to deliver quality healthcare services throughout incidents and disruptive events.

Performance Report: Performance Overview

Our Priorities

We are committed to continuing to improve the quality of our services and to continue to work in partnership with colleagues from across the health and care economy to develop and embed new models of care. These commitments, and the challenges described above, have shaped our transformation programme and our Strategic Priorities. For 2024/25 we have identified the following priorities underpinned by our longer-term vision and values.

Looking After Our People	**We will create a culture of civility and respect, with compassionate, inclusive leadership that supports our people to thrive**
	We will establish the Trust as a great place to work that attracts, trains and retains the best talent to meet the needs of our services
	We will build a valued and engaged workforce, where health and wellbeing is supported
Intervention Title	**Brief description** (of key milestones)
NHS Long term workforce plan – Retain and Transform	• Deliver Civility and Respect programme throughout the Trust. • Deliver Equality, Diversity and Inclusion (EDI) six high impact actions. • Collaboratively deliver Shropshire, Telford and Wrekin (STW) Integrated Care System (ICS) Reform and Transform workstream. • Deliver Recruitment and Retention improvement plan actions. • Utilisation of Healthroster to effectively manage our resources. • Grow apprenticeships. **Outcomes** - Improve staff Turnover, Improve Sickness Absence, Improve Staff survey results
NHS People Promise Exemplar programme	• Deliver training and development interventions to build compassionate and inclusive leadership capability. • Grow leadership training and development offer. • Establish STW recruitment hub. • Optimise automation of Human Resources (HR) processes. • Evaluation of Healthroster. • Targeted communications to grow workforce bank. **Outcomes** - Improve staff Turnover, Improve Sickness Absence, Reduce use of Agency Staff
Culture and Engagement programme	• Promote and celebrate diversity awareness and inclusiveness. • Deliver and embed Ways to Stay. • Deliver actions from the Health and Wellbeing improvement plan. **Outcomes** - Improve staff Turnover, Improve Sickness Absence, Improve Staff survey results
Admin Academy Development	• Review admin function and implement recommendations to ensure we have an admin function that; feels valued and supported; has clearly defined roles and standards; has rewarding career pathways; digitally skilled; embraces digital solutions. **Outcomes** - Improve staff Turnover, Improve Staff survey results.

Performance Report: Performance Overview

Caring For Our Communities	**We will support our staff to embed quality improvement methodology to improve staff and patient experiences**
	We will recover our services inclusively
	We will work in partnership with others, to redesign patient pathways
Intervention Title	**Brief Description** (of key milestones)
Learning and Improving Patient Safety and Engagement	• Strengthen our use of patient experience information. • Embed Patient Safety Incident Response Framework (PSIRF) across the Trust. **Outcomes** – Learning from Patient Safety Events (LFPSE) compliance, improve patient engagement
Establishing a continuous quality improvement framework based on NHS Impact	• Review and implement recommendations to establish a continuous quality improvement framework, sharing tools and techniques to empower people to make changes as required. **Outcomes** – Increase staff training and awareness, set a base for avoidable errors to improve upon
Developing and implementing Clinical Quality Strategy	• Implement refreshed three-year Clinical Quality Strategy across the Trust. **Outcomes** – Set a base for avoidable errors to improve upon
Better understanding the needs of our populations	• Make Every Contact Count (MECC) in alignment with Core20Plus5. • Work with rural communities to ensure expansion to meet local needs. **Outcomes** – Target services to make improvements across CORE20PLUS metrics
Recovering Elective Services in line with national mandates	• Implement improvements in Referral to Treatment (RTT), referral triage, partnership working, application of productivity and efficiencies. **Outcomes** – Improve DNA, Increase PIFU and virtual consultations
Optimising our Community Urgent and Emergency care offer through early supported discharge and alternatives to hospital admission	• Review current offer and implement recommendations in collaboration with system partners. **Outcomes** – Improve occupancy and reduce LOS
Continuing to develop our Children and Young People's Services	• Focus on improved productivity to reduce waiting lists within our CYP services. • Build on the success with our 0-19 services and seek out opportunities for new business aligned to our strategy as appropriate. **Outcomes** – Increase patient access to our successful services

Performance Report: Performance Overview

Managing Our Resources	**We will maximise our productivity and efficiency** **We will use all available digital technologies to modernise our services and our environment**
Intervention Title	**Brief Description** (of key milestones)
Maximising the sustainability of our Estates	• Review and implement recommendations to optimise the alignment of service demand, location and reducing the Trust's carbon footprint. **Outcomes** – Reduce carbon footprint, Improve occupancy
Delivering in-year Cost Improvement Programme (CIP) and a 3-year rolling CIP plan delivery	• Deliver 24/25 CIP. • Implement processes to ensure the 3-year plan is regularly reviewed and updated to maintain a continuous 3-year horizon. **Outcomes** – Deliver efficiencies
Automating manual administrative processes to increase productivity	• Promote the benefits of interactive tools for automating systems to save time and resource. • Support corporate and operational teams in developing their automation requirements. **Outcomes** – Demonstrate productivity improvement and freeing up time to care
Implementing 24/7 Single Point of Access (SPoA) through digital, technological and process improvement	• Review and implement recommendations for automation using technology, Artificial Intelligence (AI), including Virtual Assistant, for referrals and triaging in SPoA, Virtual Wards (VW) and 0-19 services. **Outcomes** – Improve patient access to Shropcom services
Maximising Return on Investment (ROI) of Electronic Prescribing Management (EPMA)	• Fully implement an EPMA system to maximise ROI and improve prescribing of medicines. **Outcomes** – Continuously improve medicine management, financial improvement

Performance Report: Performance Overview

Listening to our patients and staff

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

Compliments and Complaints
The compliments and complaints we receive are another valuable source of feedback about our services that we use to support our improvement plans. Between April 2023 and March 2024, we received 110 formal complaints compared to 71 for the previous year across all of our services.

We have procedures in place to ensure we manage any complaints in line with national policy, including the "Principles of Good Complaints Handling" and "Principles of Remedy" set out by the Parliamentary and Health Service Ombudsman. By way of contrast, during the same period (2023/24), we received 611 compliments about our services.

Our Patient Advice and Liaison Service (PALS) handles a great deal of the contact we have with service users and their families. In 2023/24 PALS dealt with 117 enquiries, compared to 144 in the previous year. This total also includes queries received by PALS that were unrelated to our services and were signposted to other organisations.

Staff Experience

In keeping with the Trust's strategic objective of *Looking After Our People,* our workforce continues to be our most valued asset, with engagement being at the forefront of our priorities.

We receive feedback on staff experience through a variety of methods; the annual NHS Staff Survey (NSS), the National Quarterly Pulse Survey, our on-going programme of Listening Events, the roving Shropcom Question Time, and the desktop feedback / suggestion button, all of which serve to inform our direction of travel.

The results from 2023's NSS has revealed a small improvement in engagement (52%, up from 50% in 2022), and small improvements in 5/9 of the People Promise elements and themes.

This year, as part of the continuing programme to improve staff experience, we have formed the Staff Engagement Oversight Group where best practice and support is shared, along with monitoring the progress throughout each Division. Our results have been shared widely, and managers and team leads have been empowered to identify local actions with the help of a newly created Manager's Toolkit.

We know there are positive correlations between staff engagement and patient experience, and we are determined to improve morale and the working experiences of our staff by listening to our people to identify meaningful actions to support an engaged workforce.

You can find the full NHS Staff Survey 2023 report at **www.nhsstaffsurveys.com**The

Environment and Sustainability

The Trust is remains committed to reducing the impact its services on the environment through the use of its estate. The Trust is currently in its third year of the green plan, and this remains a focal point for the estates strategy to make every kilowatt of energy count. We continue to develop our prime estate, investing into green technologies such as solar panel systems and smart building controls to help reduce our carbon footprint as we move to a decarbonized estate. To date we have been able to report that our Measured Carbon Footprint continues to reduce year on year from 2011, with a 24% reduction noted between 2019-20 and 22-23 from 1,537 tC02 to 1,156tCO2 2022-23.

As we continue to focus on a higher quality estate for staff and the services we provide, we relocated our headquarters to a modern office block in the 3rd quarter of 2023. This has enabled the Trust to move away from an aging estate and, a step forward in our aim towards a gas free estate as part of our greener aims in managing the emissions we control directly supporting the ambition.

Performance Report: Performance Overview

During 2023-24 the Trust has continued to invest in managing its backlog maintenance exposure through improving its infrastructure and internal environment whilst improving compliance against current standards. Significant investment has been made into our Community Hospitals infrastructure to enable the estate support necessary physical interventions for healthcare and demonstrate that we have great places to work in locations we love to visit. The Capital programme for 2024-25 continues to focus on compliances and improving our estate and will look to build relationships with our landlords to identify investments that benefit the community and staff across our portfolio, such as solar panels and other energy efficiency technology as we continue to transition to a greener estate.

Saving and Investing

Once again, the Trust was set some challenging financial targets for the year in line with the current NHS financial environment and the wider economic climate in the country. Despite this, we were able manage our finances effectively and finished the year with an adjusted surplus of £224k. After allowing for the revaluation of our land and buildings, which resulted in an overall reduction in their value, the retained deficit for the year was £459k.

We recognize that the clinical and financial sustainability if our organisation is intrinsically linked to the development of new models of care, attracting and retaining staff, and working in close partnership with our health and social care colleagues. To that end the Trust secured investment in the year for the implementation and development of Virtual Wards, Integrated Discharge Team, MSK Therapy and Recovery & Rehabilitation Unit, all new services geared towards improving patient experience and patient flow across the system. This will continue to be a key area of focus in our forward planning.

Patricia Davies Chief Executive 20 June 2024

Accountability Report: Corporate Governance Report

Directors Report

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

NHS Improvement (NHSI) appoints all the organisation's Non-Executive Directors, including the Chair. The Chief Executive is appointed by the Chair and Non-executive Directors. The Executive Directors are recruited by the Chief Executive and supported by the Nominations and Remuneration Committee which is a wholly Non-Executive Director committee. This report provides information about the membership of our Board as of 31 March 2024.

Tina Long, Acting Chair / Non-Executive Director (Term: November 2018 to November 2024)

Tina has over 40 years of experience in clinical and strategic nursing roles. She has worked as Chief Nurse of the Greater Manchester Health and Social Care Partnership until June 2019. Her appointment as a non-executive director brings her full circle, having started her career as a Ward Sister for the old Shropshire Health Authority in 1979. She joined the Trust as a Non-Executive Director in November 2018. Tina is the Chair of the Quality, Equality, and Inclusion Assessment (QEIA) Panel and is the NED champion for Emergency Planning but has been Acting Chair since February 2023.

Attendance:11 of 12

Harmesh Darbhanga, Non-Executive Director (Term: November 2018 to November 2024)

Harmesh brings a strong background of accountancy and financial management to the role, having spent more than 20 years working in senior roles at Wrexham County Borough Council. He also has extensive experience as a Non-Executive Director, including at The Shrewsbury and Telford Hospital NHS Trust. He joined the Trust as a Non-Executive Director in November 2018 and is the Chair of the Audit Committee. Harmesh is also the NED champion for Freedom to Speak Up and Diversity & Inclusion.

Attendance: 11 of 12

Peter Featherstone, Non-Executive Director (Term: November 2018 to November 2024)

Peter has worked in the public sector in a variety of senior strategic development and service improvement roles and is currently a Local Authority Transformation and Efficiency Consultant. He joined the Trust as a Non-Executive Director in November 2018. Peter is the Chair of the Resource and Performance Committee and NED champion for Mortality & Learning from Deaths.

Attendance: 9 of 12

Accountability Report: Corporate Governance Report

Catherine Purt, Non-Executive Director (Term: July 2021 to December 2024)

Cathy has worked in both the private and public sector and has held Accountable Officer posts at two Clinical Commissioning Groups (CCGs) as well as Executive Director posts in Acute Hospitals. She has also worked for the European Commission in the Middle East, where she specialised in the delivery of healthcare projects to vulnerable communities. Cathy is also a trained chef and works sessionally in a cookery school. Cathy is the NED champion for Workforce and is Chair of the People Committee

Attendance: 9 of 12

Alison Sargent, Non-Executive Director (Term: Appointed January 2022 to December 2024)
Alison has significant experience in public sector and charitable organisations and is experienced in HR, IT, regulatory compliance, risk management and quality assurance services. As company director for Capstone Foster Care, she worked with a small Board, leading the overall strategy and operations of six registered fostering agencies supporting more than 800 children. Alison is currently CEO for Adullam Homes a charitable benefit society supporting those at risk of homelessness and providing support for mental health and addiction issues.

Alison joined Shropcom in 2022 as a Non-Executive Director and is the Trust's Non-Executive lead for Safeguarding. As an experienced strategic thinker who is passionate about ensuring the most vulnerable people receive the right care and support, Alison brings with her a wealth of experience coupled with fresh ideas and perspectives.

Attendance:11 of 12

Jill Barker, Associate Non-Executive Director (Term: Appointed 1 January 2022 to December 2024)

Jill has worked for over 30 years at Board and senior level in the NHS, predominantly in Community and Mental Health services in North Wales, West Sussex, Surrey, and Berkshire. She has been committed to close collaboration with partner organisations to establish successful admission avoidance services with primary care, local authorities, and acute hospitals. In Berkshire she established an integrated community palliative care service with the local hospice and an integrated Community Mental Health team with the Local Authorities and the voluntary sector. Jill returned home to Shropshire in 2018 where she originally trained as a physiotherapist.

She joined Shropcom in January 2022 and now chairs the Trust's Quality and Safety Committee and is a member the Audit and People Committees. Jill is passionate about patient care and working with other partners in the system to ensure seamless care to patients and in particular for those living in rural communities. Jill is the Trust's Rural Health Champion.

Attendance: 11 of 12

Accountability Report: Corporate Governance Report

Patricia Davies, Chief Executive. (Appointed April 2021)

Patricia took up the post of Chief Executive for Shropshire Community Trust in April 2021, marking a return to Shropshire, as she grew up in Wolverhampton and began her career as a district nurse in Shrewsbury.

Over the last 20 years Patricia has mainly worked in clinical managerial roles in the acute sector, in community, mental health and latterly the Accountable Officer for CCGs in North Kent and, most recently, in Bedfordshire, Luton and Milton Keynes, where she has led a system transformation programme and successfully brought together the three clinical commissioning groups. Patricia is, however, very proud of the fact that she is still a registered nurse and practices clinically.

Patricia is keen to look at how the Trust can build on the effective services that already in place across our adult and children's teams, how the Trust can deliver more integrated services which are wrapped around primary care, and to continue for Shropshire Community Health to maintain its track record as a very forward-thinking organisation.

Attendance: 12 of 12

Dr Ganesh Mahadeva, Medical Director (Appointed as an interim in December 2022 and substantively from February 2024)

Ganesh is a Consultant Paediatrician by background and has lived in Shropshire for over 23 years, combining clinical work with medical leadership and management roles both locally and as an advisor to the Newborn Hearing programme nationally. He worked as the designated doctor for safeguarding for Shropshire and took strategic and professional lead on all aspects of the health service contribution to safeguarding children across all the providers. He led the New-born Hearing Screening programme for Shropshire and established balance services for children.

Attendance: 12 of 12

Sarah Lloyd, Director of Finance (Appointed April 2021)

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

Attendance: 12 of 12

Accountability Report: Corporate Governance Report

Clair Hobbs, Director of Nursing, Workforce and Clinical Delivery (Appointed November 2021)

Clair, a registered nurse, has experience of both acute Trusts and community services. Prior to Shropcom Clair was the Deputy Director of Nursing at Shrewsbury and Telford Hospital (SaTH).

Previous roles have included Ward Manager in Cardiology, Community Matron for long-term conditions, Senior Matron in Adult Community Services across the city of Wolverhampton, and Head of Nursing at New Cross Hospital. She is passionate about improving patient care.

Attendance: 8 of 12

Shelley Ramtuhul, Director of Governance (Appointed October 2022)

Shelley initially joined the Trust on an interim basis in November 2021 as part of a joint arrangement with the Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust before being appointed substantively in October 2022. Shelley is a non-voting member of the Board.

Shelley started her career in legal private practice representing defendants in civil litigation before joining NHS Resolution in 2006 where she represented NHS Trusts across the country. She has since worked in several NHS Trusts with experience of leading a variety of corporate and governance services.

Attendance: 11 of 12

Claire Horsfield, Director of Operations and Chief AHP (Appointed May 2023)

Claire, a registered physiotherapist, is a non-voting member of the Board. Claire was previously the Deputy Director of Quality and Chief AHP within the Trust.

Claire has a special interest in MSK and is also responsible for Allied Health Professionals within the Trust.

Attendance: 10 of 11

Directors who have left the Trust.

Angie Wallace, Chief Operating Officer (Left the Trust in May 2023)

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

Accountability Report: Corporate Governance Report

Committee Membership and Attendance

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

Quality and Safety Committee

Role and Purpose:

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

Membership & Attendance:

- **Jill Barker** (Chair) **(10 of 10)**
  Associate Non-Executive Director
- Clair Hobbs (Executive Lead) (8 of10)
  Director of Nursing
- Cathy Purt (8 of 10)
  Non-Executive Director
- Tina Long (8 of 10)
  Acting Chair/Non-Executive Director
- Claire Horsfield (9 of 10)
  Director of Operations
- Patricia Davies (9 of 10)
  Chief Executive
- Dr Ganesh Mahadeva (8 of 10)
  Medical Director
- Shelley Ramtuhul (7 of 10)
  Director of Governance

The Chair, Chief Executive and all other Non-Executive Directors are invited to attend, and other Executive Directors, senior managers, and health professional staff attend for specific items.

Audit Committee

Role and Purpose:

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

Membership & Attendance:

- Harmesh Darbhanga (Chair) (7 of 7)
  Non-Executive Director
- Peter Featherstone (4 of 7)
  Non-Executive Director
- Cathy Purt (2 of 7)
  Non-Executive Director
- Alison Sargent (3 of 7)
  Non-Executive Director
- Jill Barker (4 of 7)
  Associate Non-Executive Director

The Director of Governance is a standing attendee at the Audit Committee. All other Non- Executive Directors (excluding the Chairman) are invited to attend as are the External and Internal Auditors, and the Director of Finance.

Other Executive Directors including the CEO and other senior managers of the Trust are regularly invited to attend meetings of the Audit Committee for specific items.

Resource and Performance Committee

Role and Purpose:

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

Membership & Attendance:

- Peter Featherstone (Chair) (7 of 7)
  Non-Executive Director
- Harmesh Darbhanga (7 of 7)
  Non-Executive Director
- Alison Sargent (4 of 7)
  Non-Executive Director
- Sarah Lloyd (7 of 7)
  Director of Finance
- Claire Horsfield (6 of 7)
  Director of Operations
- Clair Hobbs (3 of 7)
  Director of Nursing, Workforce and Clinical Delivery
- Shelley Ramtuhul (7 of 7)
  Director of Governance

Other Trust Directors and managers and health professional staff attend for specific items. The members will be supported by the following who will attend when required: Medical Director, Deputy Director of Finance, Associate Director of Workforce, Deputy Director of Operations, Deputy Director of Nursing, Head of Information.

Nomination, Appointment and Remuneration Committee

Role and Purpose:

The Committee has an overall responsibility in respect of the structure, size and composition of the board and matters of pay and employment and the conditions of service for the Chief Executive, Executive Directors and Senior Managers. During the year 2023-24 it has approved the appointment of the Medical Director and the Director of Operations.

Membership & Attendance

- Tina Long (Chair) (4 of 4)
  Acting Chair / Non-Exec4tive Director
- Harmesh Darbhanga (4 of 4)
  Non-Executive Director
- Alison Sargent (4 of 4)
  Non-Executive Director
- Peter Featherstone (4 of 4)
  Non-Executive Director
- Cathy Purt (1 of 4)
  Non-Executive Director
- Jill Barker (4 of 4)
  Associate Non-Executive Director

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

People Committee

Role and Purpose:

The People Committee has delegated authority from the Board to oversee, co-ordinate, review and assess the workforce strategy and management arrangements within the Trust. The Committee assists in ensuring that Board members have a sufficiently robust understanding of key performance relating to workforce matters to ensure service delivery.

Membership & Attendance:

- Cathy Purt (Chair) (5 of 8)
  Non-Executive Director
- Jill Barker (8 of 8)
  Associate Non-Executive Director
- Clair Hobbs (7 of 8)
  Director of Nursing, Workforce and Clinical Delivery
- Sarah Lloyd (0 of 8)
  Director of Finance
- Claire Horsfield (5 of 8)
  Director of Operations
- Shelley Ramtuhul (5 of 9)
  Director of Governance

Charitable Funds Committee

Role and Purpose:

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

Membership & Attendance:

- Alison Sargent (Chair) (3 of 3)
  Non-Executive Director
- Sarah Lloyd (3 of 3)
  Director of Finance
- Clair Hobbs (2 of 3)
  Director of Nursing, Workforce and Clinical Delivery

Other members of staff are invited to attend as required, David Court, Clair Hobbs, Claire Horsfield

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

You can see a register of Board member and attendees' interests at https://www.shropscommunityhealth.nhs.uk/foi-lists-and-registers

Accountability Report: Corporate Governance Report

Statement of Directors' Responsibilities in Respect of The Accounts

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

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

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

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

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

By order of the Board.

Director of Finance
20 June 2024

Chief Executive
20 June 2024

Accountability Report: Corporate Governance Report

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

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

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

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

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

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

Chief Executive

20 June 2024

Accountability Report: Corporate Governance Report

Governance Statement

Scope of responsibility

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

The purpose of the system of internal control

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

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

The system of internal control has been in place in Shropshire Community Health NHS Trust for the year ended 31 March 2024 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Management of risk underpins achievement of the Trust's Strategy and related priorities. Risk management is the responsibility of all staff and imperative to providing safe quality care for patients and staff. Risk plays a key role in informing decision making and is significant for the Trust's business planning process where public accountability in delivering health services is required.

The Trust Board has overall responsibility for the management of risk. The Board provides leadership by ensuring that the Trust has an effective Risk Management Strategy and clear assurance reporting pathways. The Board monitors strategic risks through bi-monthly review of the Board Assurance Framework (BAF) through receipt of Audit Committee reports providing assurance on the effectiveness of Trust's internal risk control systems.

All Board Sub-Committees are responsible for monitoring and reviewing risks relevant to their remit including extent to which they are assured by the evidence presented with respect to the management of the risk. Each Committee has responsibility for escalating identified concerns to the Board.

The Trust has clear set out roles in its Risk Management Policy in relation to risk management.

- Chief Executive is the accountable officer for the management of risk, responsible for maintaining sound internal control systems that supports the achievement of the Board's policies, aims and objectives, whilst safeguarding funds and assets.
- The Trust Secretary supports the Chief Executive in the role as accounting officer of the organisation and has responsibility for risk in relation to corporate governance framework, compliance and assurance including the Board Assurance Framework.

Accountability Report: Corporate Governance Report

- The Director of Nursing, Workforce and Clinical Delivery and the Medical Director are responsible for ensuring that arrangements are in place to identify, mitigate and monitor risks associated with clinical care and treatment, patient involvement, serious incidents, safeguarding, infection control and professional standards for nursing and allied health professional's staff.
- The Director of Finance has delegated responsibility for risks associated with the management, development and implementation of systems of financial risk management, performance, strategy and estate.
- The Director of Operations has delegated responsibility for risks associated with operational management including overall emergency planning and resilience and business continuity.
- The Director of Nursing, Workforce and Clinical Delivery has delegated responsibility for risk associated with workforce planning, staff welfare, recruitment and retention.
- The Trust Chair and Non-Executive Directors exercise non-executive responsibility for the promotion of risk management through participation in the Trust Board and its Committees. They are responsible for scrutinising systems of governance and have a particular role in this Trust for chairing Board Committees. The Trust provides mandatory and statutory training that all staff is required to complete, in addition new staff attend mandatory induction that encompasses key elements of risk. There are many ways that the organisation seeks to learn from good practice, and this includes incident reporting procedures and debriefs, complaints, claims and proactive risk assessment.

The Board is constituted to consist of the Chair, five Non-Executive Directors, and five voting Executive Directors. During the 2022-23 the Chair stood down (February 2023) and since this time one of the Non-Executive Directors has been Acting Chair. There have been other regular attendees at the Board:

- An associate Non-Executive Director.
- The Director of Governance.
- The Director of Operations

The Board completed a full Well-Led Developmental Review during 2022/23 which was undertaken by the Good Governance Institute. The findings of the were translated into an improvement action plan and overseen by the Audit Committee and the Board of Directors to completion.

The Board has been supported by the five committees set out above throughout the year and these committees, except the Nominations and Remuneration Committee, provide reports to the Board, following their meetings.

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

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

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

Accountability Report: Corporate Governance Report

The risk and control framework

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

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

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

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

The Quality and Safety Committee has the overall responsibility for the monitoring of the Trust's risk profile as it related to the quality and safety of services and the working environment.

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

The People Committee has the overall responsibility for all workforce issues and overseeing performance against the workforce metrics. The committee has a particular focus on staffing, recruitment and retention, staff wellbeing, staff development as well as oversight of statutory employment responsibilities.

The Audit Committee, through its work programme, scrutinises the registers and risk management processes, seeking additional assurance where necessary.

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

- Reviewing assurances relating to the Board Assurance Framework and Corporate Risk Register.
- Reviewing processes and performance related to Fraud and Security.
- Seeking and reviewing assurances from internal and external auditors.
- Reviewing financial systems.
- Ensuring that there is an effective internal and external audit function providing appropriate independent assurance to the Trust Board. Reviewing the work and findings of the external auditor. Receiving an annual review of effectiveness of the auditors.
- Reviewing the findings of other significant assurance functions, both internal and external to the Trust.
- Reviewing the work of other committees within the Trust, whose work can provide relevant assurance to the Audit Committee's own scope of work.
- Requesting and reviewing reports and positive assurances from Directors and managers on the overall arrangements for governance, risk management and internal control.
- Reviewing and approving the Annual Report and financial statements (as a delegated

Accountability Report: Corporate Governance Report

responsibility of the Board) and ensuring that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to the completeness and accuracy of the information provided.

The Audit Committee reports to the Board of Directors on an annual basis on its work in support of the Annual Governance Statement, specifically commenting on whether the Board Assurance Framework (BAF) is fit for purpose and governance arrangements are fully integrated.

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

Risks are identified through:

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

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

- Injury or harm
- Finance
- Service delivery
- Reputation

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

Departmental	Risks that are low level and can be managed locally. Risks are monitored at team level, e.g., through team meetings
Divisional	Risks of a moderate level that impact on the directorate's service objectives Risks are monitored at divisional/directorate quality groups and areoverseen by the Quality and Safety

Accountability Report: Corporate Governance Report

	Delivery Group, via a subgroup which considers the risk in detail.
Corporate	Risks that are moderate but Trust-wide and have impact on the Trust's strategic objectives. Risks are monitored by the Executive Team and overseen by the Audit Committee.
Board Assurance Framework	Significant risks to the Trust's corporate objectives Risks are monitored by the Board

At each level the overseeing committee considers the risk potential, and the level of control in place, and decides whether a risk can be accepted. The mitigation controls are identified at all risk levels, along with any actions necessary to further control or mitigate the risks. The risk management policy identifies the groups and committees whose responsibility it is to monitor risks at the four levels, the effectiveness of their controls and the implementation of actions to further mitigate the risks. All risks are recorded on Datix, the Trust's risk management software.

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

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

The Trust is fully compliant with the registration requirements of CQC.

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

The Trust has not reported any Never Events during the year 2023/24 and in strengthening its policies and procedures around patient safety has transitioned to the Patient Incident Safety Response Framework in line with NHS England requirements.

The Trust is committed to openness and transparency in its work and decision making. As part of that commitment the trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the trust with reference to the guidance) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

Board members are required to notify and record any interests relevant to their role on the Board. The register is presented to the Board for review at each meeting of the board or its committees, members are asked to declare any interests in relation to agenda items being considered, abstaining from

Accountability Report: Corporate Governance Report

involvement if required, and advise the Company Secretary of any new interests which need to be included on the register.

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

The Trust is entering its third year of its Green Plan and continues to commit to driving sustainable development to deliver our strategic objectives, enable delivery of high-quality care, to be the employer of choice and to make the best use of our resources. Plans are under review to support and enable the Trusty to deliver on its carbon reduction plans into the future as we transition to a net zero economy across the Shropshire County working collaboratively with our partners in the public sector and the wider Shropshire community.

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

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

NHS Trusts are required to deliver statutory and other financial duties. For the year ended 31 March 2024, the Trust met these duties, as summarised below, and set out in more detail within the financial statements:

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

Within this, the Trust delivered a challenging efficiency programme of £4.5m compared to our target of £4.1m for the year. The recurrent savings delivered in year was £2.2m, £0.2m below target, however the full year effect of the schemes met our target. Non-recurrent savings delivered was £2.3m which exceeded target by £0.6m, more than offsetting the shortfall on recurrent schemes in year. Whilst this area remains a significant challenge, the Trust's will continue to develop our transformational approach to generating and implementing efficiency measures. All efficiency programmes undergo a Quality, Equality Impact Assessment prior to implementation, to ensure that quality of care is not adversely affected.

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

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

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

The Trust has a strong track record in relation to Value for Money and no matters have been brought to the attention of our External Auditors in this regard.

Accountability Report: Corporate Governance Report

Fraud
The Trust has been rated as 'green' overall on anti-fraud arrangements, which means the Trust meets the requirements of national anti-fraud standards.

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

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

Through the Data Security and Protection Assurance Group and reporting framework the Trust Board receives assurance that progress is being made and is also notified of any risks regarding data protection and security. The Data Security and Protection Assurance Framework includes several sub-groups whose membership include specialist staff who can support assessment and testing of the robustness of the systems employed. All Trust issued electronic devices issued by the Trust are encrypted and have their access appropriately managed to protect against unauthorised personnel accessing data.

For 2022/23 the Trust achieved 'Standards Met' for the DSPT assessment. Final submission for the assessment of 2023/24 will be on 30 June 2024.

In summary, during the period 2023-2024 the Trust reported four data breaches to the Information Commissioner. The findings of the cases were that; one did not meet the criteria for reporting, one found no evidence of a data breach having taken place; and two further cases were investigated by the Trust with no further action taken by the Information Commissioner and the cases closed.

Case 1: Further assessment of this case found that it did not meet the criteria for reporting to the Information Commissioner.

Case 2: A Designated Safeguarding Officer from a school contacted the Trust to explain that a pupil had alleged that whenever she/he made new friends, her/his mother (a SCHT employee) looked at the new friends' medical records to see whether there is any "history" with the new friends. The investigation found there was no evidence of a data breach having taken place.

Case 3: A member of staff took photographs of a patient's wounds using a personal phone and transferring the images from a personal email address to an NHS email address. Staff are now given additional support and guidance when setting up Trust devices; a letter from the Caldicott guardian about keeping data safe was cascaded across the organisation.

Case 4: A clinician contacted the parent of a child to discuss the National Child Measurement Programme screening. The clinician found that the birth mother, rather than the adoptive parent, had been contacted. This was due to a system error that meant the information had not been updated. Staff now have additional training and processes in place to update and check patient information held on local and national systems.

Accountability Report: Corporate Governance Report

Data quality and governance

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

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

Shropshire Community Health NHS Trust recognises the importance of reliable information as a fundamental requirement for the speedy and effective treatment of patients.

Data quality is crucial, and the availability of complete, accurate and timely data is important in supporting key functions such as patient care and healthcare planning.

The following are some of the key points that support data quality processes:

- Data quality checks using a wide spectrum of measures and indicators, which ensure that data is meaningful and fit for purpose.
- Data Quality/Validation exercises are undertaken with services on both a regular and ad hoc basis.
- Functionality within RiO, the Trust's main clinical system, allows services to monitor and manage certain data quality items real time and manage waiting lists and Referral to Treatment via the front end.
- Compliance with the Data Security and Protection Toolkit.
- An Information Quality Assurance policy exists defining roles and responsibilities for data quality including audits.
- There is a Data Quality Subgroup that reports to the Data Security and Protection Assurance Group
- Information Systems and any associated procedures are updated in line with national requirements e.g., Information Standards Board (ISB) notifications.
- External Data Quality metrics are reviewed, and action plans implemented where the position is off track.
- Data Quality KPIs are reported through operational groups and overall Data Quality Maturity Index is reported to Committees/Board.

Review of effectiveness

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

Accountability Report: Corporate Governance Report

system of internal control by the Board, the Audit Committee, the Quality and Safety Committee, the People Committee and the Resource and Performance Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place.

Review of the effectiveness of risk management and internal control

Internal Audit 2023/24

During 2023/24 the Trust's internal auditors undertook the following audits to provide an overview of the effectiveness of the controls in place for the full year. The following reports were issued for this financial year:

- Violence and Aggression.
- Key Financial Systems (KFS)
- Business Continuity Planning (BCP)
- Data Security and Protection (DSP) Toolkit.
- Cost Improvement Programme (CIP).
- Data Quality
- Procurement

The internal audit work for the 12-month period from 1 April 2022 to 31 March 2023 was carried out in accordance with the internal audit plan approved by management and the Audit Committee. The plan was based upon discussions held with management and was constructed in such a way as to gain a level of assurance on the main financial and management systems reviewed. There were no restrictions placed upon the scope of the audit and the work complied with Public Sector Internal Audit Standards.

Head of Internal Audit Opinion

The role of internal audit is to provide an opinion to the Board, through the Audit Committee (AC), on the adequacy and effectiveness of the internal control system to ensure the achievement of the organisation's objectives in the areas reviewed. Overall, the Head of Internal Audit opinion was one of **moderate assurance** that there is a sound system of internal controls, designed to meet the Trust's objectives, that controls are being applied consistently across various services. In forming this opinion Internal Audit took into account that:

- The Trust is expected to report a sound financial position with financial targets being met.
- A report was issued one during 2023-24 (Key Financial Systems) where both design and effectiveness of controls was deemed substantial, and two reports provided moderate assurance over design and effectiveness of controls (Violence and Aggression, Cost Improvement Programme).
- An area highlighted for improvement during our work this year was Business Continuity Planning, for which a limited assurance was given over both the design and effectiveness of controls. This was largely due to the majority of service areas not having any business continuity plans in place (269 of 275), and the group that oversees business continuity had not been used effectively to monitor progress in this area. Last year, there were no limited assurance reports, indicating a deterioration of standards however, there is only one limited assurance opinion this year which does not present a concern for overall governance, risk and control.
- The Trust continues to point Internal Audit in the direction of higher risk areas and there has been good engagement from management in accepting and implementing the recommendations.
- Management and officer engagement with the follow up process continues to improve after a period where follow up of recommendations had weakened. This is a now a much-improved position.

Accountability Report: Corporate Governance Report

- The Trust was awarded a 'Good' rating from the Care Quality Commission (CQC) in 2019 and there are no known material issues. This supports the overall conclusion of moderate assurance.

The Trust has accepted the recommendations made by auditors in respect of all the internal audit reviews during the year and has put in place action plans to address the recommendations made. These recommendations are tracked for completion and re-audited where appropriate.

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

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

Conclusion

It is therefore concluded that there were no significant gaps in control or significant internal control issues identified during 2023/24. The Trust continued to implement robust processes to address all recommendations arising from reviews undertaken.

Chief Executive
20 June 2024

Accountability Report: Corporate Governance Report

Modern Slavery Act 2015 – Annual Statement for 2023/24

Background

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

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

Shropshire Community Health NHS Trust

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

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

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

Estates maintenance services are provided by Midlands Partnership NHS Foundation Trust for Trust properties, except for some larger properties shared with multiple healthcare providers which are managed by NHS Property Services.

Arrangements in place

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

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

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

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

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

1. Verification of identity checks
2. Right to work checks

3. Professional registration and qualification checks
4. Employment history and reference checks
5. Criminal record checks
6. Occupational health checks

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

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

Training and Awareness: All SHPS staff have, or are working towards, professional purchasing qualifications.

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

Conclusion

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 March 2024.

Accountability Report: Remuneration & Staff Report

Remuneration Report

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

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

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

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

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

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

More detail about the salary and pension entitlements for the Trust's VSMs for the year 2023/24 can be found in the Annual Accounts section of this report.

Accountability Report: Remuneration & Staff Report

Senior Manager Remuneration

The table below shows details about remuneration for 2023/24 (this information is subject to audit).

Remuneration : 2023/24							
Name and title	Dates in Post	Salary (bands of £5,000)	Taxable expense payments (to nearest £100)	Performance pay & bonuses (bands of £5,000)	Long term performance pay/bonuses (bands of £5,000)	All pension related benefits (bands of £2,500)	Total (bands of £5,000)
		£000	£00	£000	£000	£000	£000
Patricia Davies (Chief Executive)	01/04/23-31/03/24	165-170				0	165-170
Sarah Lloyd (Director of Finance)	01/04/23-31/03/24	125-130				0	125-130
Dr Mahadeva Ganesh (Acting Medical Director)	01/04/23-31/03/24	95-100				0.0-2.5	100-105
Angela Wallace (Chief Operating Officer)	01/04/23-04/06/23	80-85				0	80-85
Clair Hobbs (Director of Nursing and Workforce)	01/04/23-31/03/24	120-125				27.5-30.0	150-155
Shelley Ramtuhul (Director of Governance and Company Secretary)	01/04/23-31/03/24	100-105				0	100-105
Claire Horsfield (Director of Operations and Chief AHP)	01/06/23-31/03/24	100-105				90.0-92.5	190-195
Tina Long (Acting Chair)	01/04/23-31/03/24	40-45				0	40-45
Harmesh Darbhanga (Non-Executive Director)	01/04/23-31/03/24	10-15				0	10-15
Peter Featherstone (Non-Executive Director)	01/04/23-31/03/24	10-15				0	10-15
Cathy Purt (Non-Executive Director)	01/04/23-31/03/24	10-15				0	10-15
Alison Sargent (Non-Executive Director)	01/04/23-31/03/24	10-15				0	10-15
Jill Barker (Associate Non-Executive Director)	01/04/23-31/03/24	10-15				0	10-15

Notes

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

2. There was no remuneration waived by directors and the Chief operating Officer received allowances paid in lieu (£65-£70K) in 2023/24.

3. There was a one-off payment in relation to loss of office to a past Director for (£25-£30k), there were no other payments/awards to past directors, or compensation on early retirement or loss of service.

4. Angela Wallace left the employment of the Trust on 4th June 2023.

5. Claire Horsfield started employment with the Trust on 1st June 2023.

The table below shows details about remuneration for 2022/23.

Accountability Report: Remuneration & Staff Report

Remuneration : 2022/23							
				Performance	Long term	All pension	
Name and title	Dates in Post	Salary (bands of £5,000)	Taxable expense payments (to nearest £100)	pay & bonuses (bands of £5,000)	performance pay/bonuses (bands of £5,000)	related benefits (bands of £2,500)	Total (bands of £5,000)
		£000	£00	£000	£000	£000	£000
Patricia Davies (Chief Executive)	01/04/22-31/03/23	155-160				40.0-42.5	200-205
Sarah Lloyd (Director of Finance)	01/04/22-31/03/23	120-125				97.5-100.0	220-225
Jane Povey (Medical Director)	01/04/22 - 16/10/22	60-65				0.0-2.5	65-70
Dr Mahadeva Ganesh (Acting Medical Director)	17/10/22 - 31/03/23	75-80				0	75-80
Angela Wallace (Chief Operating Officer)	01/04/22-31/03/23	115-120				32.5-35.0	145-150
Clair Hobbs (Director of Nursing and Workforce)	01/04/22-31/03/23	115-120				80.0-82.5	195-200
Shelley Ramtuhul (Director of Governance and Company Secretary)	01/10/22 - 31/03/23	45-50				0	45-50
Nuala O'Kane (Chair)	01/04/22 - 16/02/23	35-40				0	35-40
Tina Long (Acting Chair)	16/02/23-31/03/23	5-10				0	5-10
Harmesh Darbhanga (Non-Executive Director)	01/04/22-31/03/23	10-15				0	10-15
Peter Featherstone (Non-Executive Director)	01/04/22-31/03/23	10-15				0	10-15
Tina Long (Non-Executive Director)	01/04/22-15/02/23	10-15				0	10-15
Cathy Purt (Non-Executive Director)	01/04/22-31/03/23	10-15				0	10-15
Alison Sargent (Non-Executive Director)	01/04/22-31/03/23	10-15				0	10-15
Jill Barker (Associate Non-Executive Director)	01/04/22-31/03/23	10-15				0	10-15

Notes

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

2. There was no remuneration waived by directors or allowances paid in lieu to directors in 2022/23

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

4. Dr Jane Povey left the employment of the Trust on 16th October 2022.

5. The remuneration for Dr Jane Povey includes her STP Interim Clinical Director role (£5-£10k) as well as her Medical Director Board position (£55-£60K).

6. Dr Mahadeva Ganesh started employment with the Trust on 17th October 2022.

7. The remuneration for Mahadeva Ganesh includes his clinical medical consultant role (£25-30k) as well as his Medical Director Board position (£45-50k).

8. Shelly Ramtuhul started employment with the Trust on 1st October 2022.

9. Nuala O'Kane left the employment of the Trust on 16th February 2023.

Accountability Report: Remuneration & Staff Report

Pension Entitlements

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

Pension entitlements 2023/24								
					Lump sum at			
Name and title	Dates in Post		Real increase	Total accrued	pension age	Cash	Cash	
		Real increase	in pension	pension at	re accrued	Equivalent	Equivalent	Real increase
		in pension	lump sum at	pension age	pension at	Transfer	Transfer	in Cash
		at pension age	pension age	at 31 March	31 March	Value at	Value at	Equivalent
		(bands of	(bands of	2023 (bands	2023 (bands	31 March	31 March	Transfer
		£2,500)	£2,500)	of £5,000)	of £5,000)	2023	2024	Value
		£000	£000	£000	£000	£000	£000	£000
Patricia Davies (Chief Executive)	01/04/23-31/03/24	0	37.5-40.0	55-60	155-160	1,064	1,354	160
Sarah Lloyd (Director of Finance)	01/04/23-31/03/24	0	27.5-30.0	50-55	140-145	894	1,184	182
Dr Mahadeva Ganesh (Dr Mahadeva Ganesh)	01/04/23-31/03/24	0.0-2.5	0	0-5	0	0	0	0
Angela Wallace (Chief Operating Officer)	01/04/23-04/06/23	0	2.5-5.0	30-35	95-100	705	827	8
Clair Hobbs (Director of Nursing and Workforce)	01/04/23-31/03/24	0.0-2.5	27.5-30.0	35-40	100-105	549	801	180
Shelley Ramtuhul (Director of Governance and Company Secretary)	01/04/23-31/03/24	0	0	0	0	0	0	0
Claire Horsfield (Director of Operations and Chief AHP)	01/06/23-31/03/24	2.5-5.0	7.5-10.0	25-30	75-80	434	594	86

Notes

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

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

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

4. Angela Wallace left her role as Chief Operating Officer on 4th of June 2023 the real increase is only for the proportion relating to this post.

5. Claire Horsfield started her role as Director of Operations and Chief AHP on the 1st of June 2023 the real increase is only for the proportion relating to this post.

6. Shelley Ramtuhul chose not to be covered by the pension arrangements during the reporting year.

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

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

Accountability Report: Remuneration & Staff Report

Fair pay disclosures

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

The banded remuneration of the highest paid Director/Member in Shropshire Community Health NHS Trust in the financial year 23/24 was £167,500* (2022/23 - £157,500)

- This was 3.8 times (2022/23 - 3.6) the 75th percentile remuneration of the workforce, which was £43,742 (2022/23 - £43,842).
- This was 4.7 times 2022/23 - 4.5) the median remuneration of the workforce, which was £35,392 (2022/23 - £35,226).
- This was 6.6 times (2022/23 – 6.0) the 25th percentile remuneration of the workforce, which was £25,358 (2022/23 - £26,193).

The percentage change in remuneration from the previous financial year in respect of the highest paid director was 6.3% (2022/23 - 3.3%). The average percentage change in remuneration from the previous financial year in respect of employees of the entity was 1.5% (2022/23 9.2%). This increase in director pay is due to the national pay award.

In 2023/24, nine (2022/2, two) employees received remuneration more than the highest paid Director/Member. Remuneration ranged from £21,066 to £289,648 (2022/23 £19,946 to £226,109).

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

*(*Banded remuneration is the mid-point between £165,000 and £170,000, which is the band within which the remuneration of the highest paid Director falls).*

Accountability Report: Remuneration and Staff Report

Staff Report

We employ nearly 1,800 people who provide a wide range of services from locations across Shropshire, Telford & Wrekin and surrounding areas.

This report provides information about the make-up of our workforce, which at the end of the year 2023/24 had a headcount of 1,783.

Staff Numbers

	Female		Male		All	
2024	**FTE**	**Headcount**	**FTE**	**Headcount**	**FTE**	**Headcount**
Executive Directors	4.0	4.0	0.6	1.0	4.6	5.0
Very Senior Managers	1.0	1.0	0.0	0.0	1.0	1.0
Senior Managers	**61.6**	**69.0**	**19.3**	**20.0**	**80.9**	**89.0**
Band 8A	39.2	46.0	6.4	7.0	45.6	53.0
Band 8B	9.4	10.0	7.9	8.0	17.3	18.0
Band 8C	8.0	8.0	3.0	3.0	11.0	11.0
Band 8D	3.0	3.0	1.0	1.0	4.0	4.0
Band 9	2.0	2.0	1.0	1.0	3.0	3.0
Other Staff	1188.0	1496.0	171.3	192.0	1359.3	1688.0
All Employees	1254.6	1570.0	191.2	213.0	1445.8	1783.0

Staff Numbers by Staff Group

Average number of employees (WTE basis)

	Permanent Number	Other Number	2023/24 Total Number	2022/23 Total Number
Medical and dental	22	5	**27**	25
Ambulance staff	0	0	**0**	0
Administration and estates	396	17	**413**	402
Healthcare assistants and other support staff	250	31	**281**	273
Nursing, midwifery and health visiting staff	485	47	**532**	518
Nursing, midwifery and health visiting learners	20	0	**20**	7
Scientific, therapeutic and technical staff	214	17	**231**	205
Healthcare science staff	0	0	**0**	0
Social care staff	0	0	**0**	0
Other	0	0	**0**	0
Total average numbers	**1,387**	**117**	**1,504**	**1,430**

Accountability Report: Remuneration and Staff Report

Staff Numbers by Ethnicity

Ethnicity	Headcount	FTE
A White - British	1534	1234.3
B White - Irish	5	3.3
C White - Any other White background	21	18.4
C2 White Northern Irish	1	1.0
C3 White Unspecified	9	7.1
CA White English	6	5.0
CC White Welsh	1	0.6
CD White Cornish	1	0.4
CP White Polish	6	5.3
CY White Other European	4	3.1
D Mixed - White & Black Caribbean	4	2.9
E Mixed - White & Black African	1	1.0
F Mixed - White & Asian	3	2.2
G Mixed - Any other mixed background	3	3.0
GF Mixed - Other/Unspecified	1	1.0
H Asian or Asian British - Indian	36	32.1
J Asian or Asian British - Pakistani	11	9.4
L Asian or Asian British - Any other Asian background	4	3.0
LE Asian Sri Lankan	1	0.6
LG Asian Sinhalese	1	1.0
LK Asian Unspecified	8	8.0
M Black or Black British - Caribbean	6	5.8
N Black or Black British - African	40	37.1
P Black or Black British - Any other Black background	1	0.6
PC Black Nigerian	3	3.0
PE Black Unspecified	2	2.0
R Chinese	4	3.9
S Any Other Ethnic Group	3	3.0
SB Japanese	1	0.8
SC Filipino	1	1.0
SE Other Specified	6	6.0
Z Not Stated	55	40.0
Grand Total	1783	1445.8

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

Staff costs

	Permanent £000	Other £000	2023/24 Total £000	2022/23 Total £000
Salaries and wages	54,407	1,206	**55,613**	54,239
Social security costs	5,330	0	**5,330**	4,588
Apprenticeship levy	266	0	**266**	227
Employer's contributions to NHS pension scheme	10,380	0	**10,380**	9,198
Pension cost - other	23	0	**23**	35
Other post employment benefits	0	0	**0**	0
Other employment benefits	0	0	**0**	0
Termination benefits	0	0	**0**	0
Temporary staff	0	5,881	**5,881**	4,669
Total gross staff costs	**70,406**	**7,087**	**77,493**	**72,956**
Recoveries in respect of seconded staff	0	0	**0**	0
Total staff costs	**70,406**	**7,087**	**77,493**	**72,956**

Staff Sickness Absence –

Figures Converted by DH to Best Estimates of Required Data Items			**Statistics Published by NHS Digital from ESR Data**	
Average FTE for 2023	Adjusted FTE days lost to Cabinet Office definitions	Average Sick Days per FTE	FTE-Days Available	FTE-Days recorded Sickness Absence
1,356	16,611	12.3	494,849	26,948

Source: NHS Digital - Sickness Absence and Workforce Publications - based on data from the ESR Data Warehouse

Period covered: January to December 2023

Data items: ESR does not hold details of the planned working/non-working days for employees, so days lost and days available are reported based upon a 365-day year. For the Annual Report and Accounts the following figures are used:

The number of FTE-days available has been taken directly from ESR. This has been converted to FTE years in the first column by dividing by 365.

The number of FTE-days lost to sickness absence has been taken directly from ESR. The adjusted FTE days lost has been calculated by multiplying by 225/365 to give the Cabinet Office measure.

The average number of sick days per FTE has been estimated by dividing the FTE Days by the FTE days lost and multiplying by 225/365 to give the Cabinet Office measure. This figure is replicated on returns by dividing the adjusted FTE days lost by Average FTE.

Equality, Diversity & Inclusion

Our vision is for diversity and inclusion to be at the heart of everything we do, working together to deliver sustainable, high-quality, patient care to communities we serve. We ensure that our staff are at the center of initiatives to promote a positive culture that tackles workforce related inequalities and strives to achieve a greater sense of belonging for all staff.

Over the last twelve months, we have continued to embed equality, diversity and inclusion for our staff and patients. We participated in a system wide celebration event for Cultural Diversity Day. We have also offered Inclusive Leadership sessions for Managers which will continue with sessions with our Board and Senior Leadership Team. We continue to engage with our staff voice networks who contribute to identifying improvements that we can make in the Trust, and work with the networks to co-create actions and material; this year the networks supported the development of reasonable adjustment guidelines for our line managers; this will improve our line manager capability and support individuals in being able to strive at work. Our staff networks also review our EDI related data and support the development of our relevant action plans to improve equality diversity and inclusion.

We report annually on the Workforce Race Equality Standard (WRES), Gender Pay Gap, and Workforce Disability Equality Standard (WDES). The data, alongside other equality monitoring information enables us to understand how well we are performing, and to take positive action to ensure all employees, regardless of race, gender or disability have equality of pay, career progression opportunities and fair treatment in the workplace leading to improved experiences.

Our Human Resources policies are developed with our values in mind and management training is designed to eliminate discrimination on all grounds, which includes disability. Our Policy and Procedure on Equality and Diversity ‘Everyone Counts’ explains how the Trust will not discriminate against any member of staff with regards to training, promotion and career development.

There is more information available on the Trusts website regarding its work to promote equality, diversity and inclusion for our workforce and service users.

Trade Union Facility Time

Table 1: Relevant union officials

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

Number of employees who were relevant. union officials during the relevant period	*Full-time equivalent employee number*
7	6.31

Table 2: Percentage of time spent on facility time.

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

Percentage of time	*Number of employees*
0%	1
1-50%	6
51%-99%	0
100%	0

Table 3: Percentage of pay bill spent on facility time.

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

First Column	*Figures*
Provide the total cost of facility time	*£8,814*
Provide the total pay bill	*£77,492,940*
Provide the percentage of the total pay bill spent on facility time, calculated as: (Total cost of facility time ÷ total pay bill) x 100	*0.01%*

Table 4: Paid Trade Union activities

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

Total hours spent on paid facility time	*458.10*
Total hours spent on paid union activities	*25.50*
Time spent on paid trade union activities as a percentage of total paid trade union facility time by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	*5.6%*

Off-Payroll Arrangements

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

Table 1: Off-payroll engagements longer than 6 months

For all off-payroll engagements as of 31 March 2024, for more than £245 per day and that last longer than six months:

	Number
Number of existing engagements as of 31 March 2024	0

The standard contract for off payroll workers contains binding clauses requiring the contractor to comply with all relevant statutes and regulations relating to income tax and national insurance contributions in respect of fees paid by the Trust and indemnifying the Trust against any liabilities incurred in respect of such contributions.

It also requires the contractor to demonstrate to the Trust his/her compliance with such legislation on request.

Deductions are made for PAYE for off payroll workers where appropriate in accordance with IR35 guidance.

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

Table 2: New Off-payroll engagements

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2023 and March 2024, for more than £245 per day and that last for longer than six months.

	Number
No. of new engagements, or those that reached six months in duration, between 1 April 2022 and 31 March 2023	0
Of which...	
No. assessed as caught by IR35	0
No. assessed as not caught by IR35	0
No. engaged directly (via PSC contracted to department) and are on the departmental payroll	0
No. of engagements reassessed for consistency / assurance. purposes during the year.	0
No. of engagements that saw a change to IR35 status following the consistency review	0

Accountability Report: Remuneration and Staff Report

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

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024

	Number
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year.	0
Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure must include both on payroll and off-payroll engagements.	0 off-payroll 13 on payroll

There are currently 12 Board members as set out earlier in this report. The disclosure above showing 13 individuals reflects changes during the year where some officers held post for part of the year.

Exit Packages

The information relating to Exit Packages is subject to audit. Redundancy and other departure costs are paid in accordance with the provisions of NHS Agenda for Change rules on pay. Exit costs are accounted for in full in the year of departure. Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS Pensions scheme. Ill-health retirement costs are met by the NHS Pensions scheme. In 2023/24 four redundancy payments were agreed totaling £98,135 and two contractual payments in lieu of notice were made totaling £67,101.

Reporting of compensation scheme – exit packages 2023/24.

Reporting of compensation schemes - exit packages 2023/24

Four Redundancy payments and two contractual payments in lieu of notice were agreed in the period

Exit package cost band (including any special payment element)	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
<£10,000	1	1	**2**
£10,000 - £25,000	1	0	**1**
£25,001 - 50,000	2	0	**2**
£50,001 - £100,000	0	1	**1**
£100,001 - £150,000	0	0	**0**
£150,001 - £200,000	0	0	**0**
>£200,000	0	0	**0**
Total number of exit packages by type	**4**	**2**	**6**
Total cost (£)	98,135	67,101	**£165,236**

Reporting of compensation scheme – exit packages 2022/23.

Three Redundancy payments were agreed in the period.

Reporting of compensation schemes - exit packages 2022/23

Three Redundancy payments were agreed in the period. The total resource cost is £18,058 higher than that reported in 2022/23 following payment in April 2023.

Exit package cost band (including any special payment element)	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
<£10,000	0	0	**0**
£10,000 - £25,000	0	0	**0**
£25,001 - 50,000	0	0	**0**
£50,001 - £100,000	3	0	**3**
£100,001 - £150,000	0	0	**0**
£150,001 - £200,000	0	0	**0**
>£200,000	0	0	**0**
Total number of exit packages by type	**3**	**0**	**3**
Total resource cost (£)	238,917	£0	**£238,917**

Exit packages: other (non-compulsory) departure payments

	2023/24		2022/23	
	Payments agreed Number	Total value of agreements £000	Payments agreed Number	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice	2	67	0	0
Exit payments following Employment Tribunals or court orders	0	0	0	0
Non-contractual payments requiring HMT approval	0	0	0	0
Total	**2**	**67**	**0**	**0**
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	0	0	0	0

Other departures

A single exit package can be made up of several components each of which need to be counted for separately.

There were no non-contractual payments made to individuals where the payment value was more than 12 months of their annual salary.

Expenditure on Consultancy

There was no expenditure on consultancy in 2023/24, compared to £174,000 for 2022/23.

Chief Executive
20 June 2024

Accountability Report:

Trust Accounts Consolidation (TAC) Summarisation Schedules for Shropshire Community Health NHS Trust for the year ended 31 March 2024

Summarisation schedules numbers TAC01 to TAC34 and accompanying WGA sheets for 2023/24 have been completed and this certificate accompanies them.

Finance Director Certificate

1. I certify that the attached TAC schedules have been compiled and are in accordance with:
   - the financial records maintained by the NHS trust.
   - accounting standards and policies which comply with the Department of Health and Social Care's Group Accounting Manual and
   - the template NHS provider accounting policies issued by NHS England, or any deviation from these policies has been fully explained in the Confirmation questions in the TAC schedules.

2. I certify that the TAC schedules are internally consistent and that there are no validation errors.

3. I certify that the information in the TAC schedules is consistent with the financial statements of the NHS Trust.

Signature: …… …

Sarah Lloyd
Director of Finance
20 June 2024

Chief Executive Certificate

1. I acknowledge the attached TAC schedules, which have been prepared and certified by the Finance Director, as the TAC schedules which the Trust is required to submit to NHS England.

2. I have reviewed the schedules and agree the statements made by the Director of Finance above.

Signature: ……

Patricia Davies,
Chief Executive
20 June 2024

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

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Shropshire Community Health NHS Trust (the 'Trust') for the year ended 31 March 2024, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023-24.

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 expenditure and income for the year then ended; and
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

In our evaluation of the directors' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2023-24 that the Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Trust and the Trust's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to

continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Governance Statement does not comply with the requirements of the Department of Health and Social Care Group Accounting Manual 2023-24 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2023-24; and
- based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we refer a matter to the Secretary of State under Section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we make a written recommendation to the Trust under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit.

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

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023-24).
- We enquired of management, internal audit and the Audit Committee, concerning the Trust's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and fraud in income and expenditure recognition. We determined that the principal risks were in relation to:
  - the appropriate posting of journals which impacted on the reported financial position;
  - management's approach to key accounting estimates and judgements;
  - the completeness of non pay expenditure; and
  - the occurrence of non block contract income.
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on large and unusual items and significant journals at the end of the financial year which impacted the Trust's financial performance;

  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and building valuations, provisions, depreciation expense and IFRS 16 right of use assets and operating lease balances;
  - evaluating the Trust's accounting policy for income recognition, updating our understanding of the Trust's system for accounting for income, evaluating estimates and the judgments made by management in respect of income accruals and testing substantively a sample of income and agreeing to supporting documentation to confirm correct accounting treatment;
  - evaluating the Trust's accounting policy for expenditure recognition, updating our understanding of the Trust's system for accounting for expenditure, evaluating estimates and the judgments made by management in respect of expenditure accruals and testing substantively a sample of expenditure and agreeing to supporting documentation to confirm correct accounting treatment; and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to valuation of land and buildings, provisions, depreciation expense and IFRS 16 right of use assets and operating lease balances. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the health sector and economy in which the Trust operates
  - understanding of the legal and regulatory requirements specific to the Trust including:
    - the provisions of the applicable legislation
    - NHS England’s rules and related guidance
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The Trust’s operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - The Trust's control environment, including the policies and procedures implemented by the Trust to ensure compliance with the requirements of the financial reporting framework.

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

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

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

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

Responsibilities of the Accountable Officer

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

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

We are required under Section 21(2A)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Certificate

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

Use of our report

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

Richard J J Anderson

Richard Anderson, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

Date: 21 June 2024

Shropshire Community Health
NHS Trust

Annual accounts for the year ended 31 March 2024

Statement of Comprehensive Income

	Note	2023/24 £000	2022/23 £000
Operating income from patient care activities	3	108,181	100,323
Other operating income	4	3,876	5,157
Operating expenses	6, 8	(113,266)	(104,419)
Operating (deficit) / surplus for the year from continuing operations		**(1,209)**	**1,061**
Finance income	10	1,269	495
Finance expenses	11	(111)	(80)
PDC dividends payable		(490)	(638)
Net finance costs		**668**	**(223)**
Other gains / (losses)	12	82	(5)
(Deficit) / Surplus for the year		**(459)**	**833**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	(704)	(3,098)
Revaluations	16	843	1,502
Total comprehensive (expense) for the period		**(320)**	**(763)**

See Note 33 for the Trusts Adjusted financial performance

Statement of Financial Position

	Note	31 March 2024 £000	31 March 2023 £000
Non-current assets			
Intangible assets	13	12	18
Property, plant and equipment	14	29,463	29,308
Right of use assets	17	11,179	9,094
Receivables	19	218	248
Other assets		0	0
Total non-current assets		**40,872**	**38,668**
Current assets			
Inventories	18	185	612
Receivables	19	2,628	5,070
Non-current assets for sale and assets in disposal groups	20	0	189
Cash and cash equivalents	21	19,839	18,580
Total current assets		**22,652**	**24,451**
Current liabilities			
Trade and other payables	22	(8,827)	(11,601)
Borrowings	23	(1,408)	(1,215)
Provisions	24	(1,561)	(236)
Total current liabilities		**(11,796)**	**(13,052)**
Total assets less current liabilities		**51,728**	**50,067**
Non-current liabilities			
Borrowings	23	(8,462)	(6,713)
Provisions	24	(1,517)	(1,310)
Total non-current liabilities		**(9,979)**	**(8,023)**
Total assets employed		**41,749**	**42,044**
Financed by			
Public dividend capital		2,393	2,368
Revaluation reserve		6,533	6,727
Income and expenditure reserve		32,823	32,949
Total taxpayers' equity		**41,749**	**42,044**

The notes on pages 7 to 53 form part of these accounts.

Name	Patricia Davies
Position	Chief Executive
Date	20 June 2024

Statement of Changes in Equity for the year ended 31 March 2024

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2023 - brought forward	**2,368**	**6,727**	**32,949**	**42,044**
(Deficit) for the year	0	0	(459)	**(459)**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	0	(268)	268	**0**
Impairments	0	(704)	0	**(704)**
Revaluations	0	843	0	**843**
Transfer to retained earnings on disposal of assets	0	(65)	65	**0**
Public dividend capital received	25	0	0	**25**
Taxpayers' and others' equity at 31 March 2024	**2,393**	**6,533**	**32,823**	**41,749**

Statement of Changes in Equity for the year ended 31 March 2023

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**2,368**	**8,709**	**30,484**	**41,561**
Implementation of IFRS 16 on 1 April 2022	0	0	1,246	**1,246**
Surplus for the year	0	0	833	**833**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	0	(378)	378	**0**
Impairments	0	(3,098)	0	**(3,098)**
Revaluations	0	1,502	0	**1,502**
Transfer to retained earnings on disposal of assets	0	(8)	8	**0**
Public dividend capital received	0	0	0	**0**
Taxpayers' and others' equity at 31 March 2023	**2,368**	**6,727**	**32,949**	**42,044**

Information on reserves

Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public dividend capital dividend.

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

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

Statement of Cash Flows

	Note	2023/24 £000	2022/23 £000
Cash flows from operating activities			
Operating (deficit) / surplus		(1,209)	1,061
Non-cash income and expense:			
Depreciation and amortisation	6.1	3,740	3,524
Net impairments	7	500	220
Income recognised in respect of capital donations	4	0	(137)
decrease / (increase) in receivables and other assets		2,718	(1,255)
decrease / (increase) in inventories		427	(6)
(Decrease) / increase in payables and other liabilities		(3,045)	2,009
Increase / (decrease) in provisions		1,220	(220)
Interest received		1,236	424
Purchase of PPE and investment property		(2,327)	(3,739)
Sales of PPE and investment property		276	6
Initial direct costs or up front payments in respect of new right of use assets		(86)	(8)
Receipt of cash donations to purchase assets		0	137
Public dividend capital received		25	0
Capital element of finance lease rental payments		(1,402)	(1,344)
Interest paid on finance lease liabilities		(111)	(80)
PDC dividend (paid)		(703)	(676)
Increase / (decrease) in cash and cash equivalents		**1,259**	**(84)**
Cash and cash equivalents at 1 April - brought forward		**18,580**	**18,664**
Cash and cash equivalents at 31 March	21	**19,839**	**18,580**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

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

Note 1.1.1 Accounting convention

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

Note 1.2 Going concern

These accounts have been prepared on a going concern basis. 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.

Note 1.3 Charitable Funds

NHS Charitable Fund

Under the provisions of IFRS 10 Consolidated Financial Statements, those charitable funds that fall under common control with NHS Trusts are consolidated within the entity's financial statements. As the Trust is the corporate trustee of the linked NHS Charity (Shropshire Community Health NHS Trust General Charitable Fund), it effectively has the power to exercise control so as to obtain economic benefits. However, the balance and transactions are immaterial in the context of the group and transactions have not been consolidated. Details of the transactions with the charity are included in Note 29: related party transactions.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102.

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.

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

This year end the Trust has had some performance obligations with NHS Shropshire, Telford and Wrekin ICB, Shropshire Council and Telford Council for specific projects and the Clinical Research Network for Research and Development funding.

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 NHS income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity. For 2023/24 NHS Shropshire, Telford and Wrekin agreed to continue to operate under an "intelligent fixed payment" approach. However, Elective income is linked to activity.

Aligned payment and incentive contracts form the main payment mechanism under the NHSPS. In 2023/24 API contracts contain both a fixed and variable element. Under the variable element, providers earn income for elective activity (both ordinary and day case), out-patient procedures, out-patient first attendances, diagnostic imaging and nuclear medicine, and chemotherapy delivery activity. The precise definition of these activities is given in the NHSPS. Income is earned at NHSPS prices based on actual activity. The fixed element includes income for all other services covered by the NHSPS assuming an agreed level of activity with 'fixed' in this context meaning not varying based on units of activity. Elements within this are accounted for as variable consideration under IFRS 15 as explained below.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner. In 2023/24 payment under these schemes is included in fixed payments from commissioners based on assumed achievement of criteria.

Where the relationship with a particular integrated care board is expected to be a low volume of activity (annual value below £0.5m), an annual fixed payment is received by the provider as determined in the NHSPS documentation. Such income is classified as 'other clinical income' in these accounts.

Elective recovery funding provides additional funding to integrated care boards to fund the commissioning of elective services within their systems. In 2023/24, trusts do not directly earn elective recovery funding, instead earning income for actual activity as explained above. The level of activity delivered by the trust contributes to system performance and therefore the availability of funding to the trust's commissioners. In 2022/23 elective recovery funding for providers was separately identified within the aligned payment and incentive contracts.

NHS injury cost recovery scheme

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

Note 1.5 Other forms of income

Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grants is used to fund capital expenditure, it is credited to the Statement of Comprehensive Income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income

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

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

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

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

Note 1.7 Expenditure on other goods and services

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

Note 1.8 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

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

Subsequent expenditure

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

Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

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

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

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences when the assets are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use. Where a piece of equipment has a life of more than 10 years and a net book value in excess of £30,000 it is indexed using the inflation figure quoted in the NHS planning guidance for the year.

Depreciation

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

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

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

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

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

Impairments

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

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

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

De-recognition

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

Following reclassification, the assets are measured at the lower of their existing carrying amount and their ‘fair value less costs to sell’. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as ‘held for sale’ and instead is retained as an operational asset and the asset’s useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Useful lives of property, plant and equipment

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	5	84
Plant & machinery	5	15
Information technology	3	10
Furniture & fittings	10	10

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 to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

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

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

Software

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

Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

Amortisation

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

Useful lives of intangible assets

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

	Min life Years	Max life Years
Software licences	2	5
Other (purchased)	5	5

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. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.
The Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

Note 1.11 Cash and cash equivalents

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.12 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 and financial liabilities are classified as subsequently measured at amortised cost.

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

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense.

Impairment of financial assets

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

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

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

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

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

Derecognition

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

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

Note 1.13 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 a lessee

Recognition and initial 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. 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 a lessor

All leases are classified as operating leases.

Rental 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. 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.

Note 1.14 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.

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

The provision arising from the 2019/20 clinicians' pensions scheme is calculated by NHS England using the Treasury's discount rates as cashflows are expected later than one year.

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: minus 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 24.2 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 1.15 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in Note 25 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 25, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.16 Public dividend capital

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

The Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined by the Department of Health and Social Care.

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

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

Note 1.17 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 1.18 Climate change levy

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

Note 1.19 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 1.20 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

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

Note 1.21 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2023/24.

Note 1.22 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 17 Insurance Contracts (replacing IFRS 4) – is expected to apply to the NHS from April 2025, this has not yet been adopted by the FReM: early adoption is not therefore permitted. This is unlikely to have a material impact on the Trust. All contracts will be reviewed in 2024/25 to identify if any are or parts of the contract can be classified as insurance contracts.

Note 1.23 Critical judgements in applying accounting policies

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

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

1. Determining whether charitable funds are a subsidiary of the Trust, and whether they are material, to determine whether or not to consolidate.
2. Determining that the Electronic Patient Record (EPR) software is integral to the operation of the purchased hardware so is classed as a tangible asset.

Note 1.24 Sources of estimation uncertainty

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

1. Land and Buildings £25.4m are valued periodically by an external valuation specialist who makes assumptions concerning values, and estimates are also made concerning the remaining lives of these assets. If the valuations were 1% different, this would amount to £0.25m. The valuations would have to be different by 7.6% (£1.9m) to be considered material.

1.2 Peppercorn Land and Buildings £1.1m are also valued periodically by an external valuation specialist who makes assumptions concerning values. If the valuations were 1% different, this would amount to £0.01m. The valuations would have to be different by 173% (£1.9m) to be considered material.

2. Lease terms have been estimated as a number of Leases do not have formal documentation or do not have written agreements (mainly with NHS Property Services). In this case a judgement on Lease Terms has been made to match business plans or commercial reality. The valuation of Leases using the cost model at the 31st of March 2024 is £10m. If the lease term or the cost model valuation were 1% different, this would amount to £0.1m. The valuations would have to be different by 19% (£1.9m) to be considered material.

Note 2 Operating Segments

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

Note 3 Operating income from patient care activities

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

Note 3.1 Income from patient care activities (by nature)	**2023/24**	**2022/23**
	£000	**£000**
Community services		
Income from commissioners under API contracts*	95,414	85,799
Income from other sources (e.g. local authorities)	9,619	8,887
All services		
National pay award central funding***	5	2,831
Additional pension contribution central funding**	3,143	2,806
Other clinical income	0	0
Total income from activities	**108,181**	**100,323**

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2023/25 NHS Payment Scheme documentation.

The 2022 Health and Care Act replaces the National Tariff Payment System with the NHS Payment Scheme (NHSPS). The NHSPS contains rules to establish the amount payable for NHS-funded secondary healthcare.

2023/25 NHSPS came into effect on 1 April 2023. Following consultation, some amendments have been made for 2024/25 and the 2023/25 NHSPS (amended) is in effect from 1 April 2024. see link below for further detail:

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.

*** Additional funding was made available by NHS England in 2023/24 and 2022/23 for implementing the backdated element of pay awards where government offers were made at the end of the financial year. 2023/24: In March 2024, the government announced a revised pay offer for consultants, reforming consultant pay scales with an effective date of 1 March 2024. Trade Unions representing consultant doctors accepted the offer in April 2024. 2022/23: In March 2023, the government made a pay offer for staff on agenda for change terms and conditions which was later confirmed in May 2023. The additional pay for 2022/23 was based on individuals in employment at 31 March 2023.

Note 3.2 Income from patient care activities (by source)

	2023/24	**2022/23**
Income from patient care activities received from:	**£000**	**£000**
NHS England	8,962	14,960
Clinical commissioning groups	0	19,369
Integrated care boards	89,600	57,107
Department of Health and Social Care	0	0
Other NHS providers	1,105	963
NHS other	0	0
Local authorities	7,708	7,118
Non-NHS: private patients	0	0
Non-NHS: overseas patients (chargeable to patient)	0	0
Injury cost recovery scheme	125	92
Non NHS: other	681	714
Total income from activities	**108,181**	**100,323**
Of which:		
Related to continuing operations	108,181	100,323

From the 1st July 2022 the Clinical Commissioning Groups were replaced by Integrated Care Boards

Note 4 Other operating income

	2023/24			2022/23		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	217	0	**217**	173	0	**173**
Education and training	1,498	226	**1,724**	1,320	137	**1,457**
Non-patient care services to other bodies	32	0	**32**	31	0	**31**
Reimbursement and top up funding	0	0	**0**	1,180	0	**1,180**
Income in respect of employee benefits accounted on a gross basis	31	0	**31**	31	0	**31**
Receipt of capital grants and donations and peppercorn leases	0	0	**0**	0	137	**137**
Charitable and other contributions to expenditure	0	6	**6**	0	128	**128**
Revenue from operating leases	0	241	**241**	0	178	**178**
Other income	1,625	0	**1,625**	1,842	0	**1,842**
Total other operating income	**3,403**	**473**	**3,876**	**4,577**	**580**	**5,157**
Of which:						
Related to continuing operations			3,876			5,157
Related to discontinued operations			0			0

An additional analysis of significant items of income included in 23/24 Other operating income - £1,625k (22/23 £1,842k) : Property Rentals £321k (22/23 £323k), Catering £52k (22/23 £34k), Local Authority Contributions to Running Costs £76k (22/23 £76k), Estates Recharge to Foundation Trust £62k (22/23 £65k), Occupational Health Income Generation Scheme £4k (22/23 £261k), Pharmacy Staffing Income £400k (22/23 £463k), FCP Physio Staffing Income £110k (22/23 £120k), Admiral Nursing Funding £50k (22/23 £48K)

Note 5 Operating leases - Shropshire Community Health NHS Trust as lessor

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

There are 5 properties that the Trust leases part of the building out being Bridgnorth Health Centre with 81 years remaining, Bridgnorth and Whitchurch Maternity Units 1 year remaining, Hadley Health Centre 0.25 years remaining and Whitchurch Community Hospital 0.08 years remaining.

Note 5.1 Operating lease income

	2023/24	2022/23
	£000	£000
Lease receipts recognised as income in year:		
Minimum lease receipts	241	178
Variable lease receipts / contingent rents	0	0
Total in-year operating lease income	**241**	**178**

Note 5.2 Future lease receipts

	31 March 2024	31 March 2023
	£000	£000
Future minimum lease receipts due in:		
- not later than one year	161	157
- later than one year and not later than two years	52	45
- later than two years and not later than three years	52	45
- later than three years and not later than four years	52	45
- later than four years and not later than five years	52	45
- later than five years	3,953	3,459
Total	**4,322**	**3,796**

Note 6.1 Operating expenses

	2023/24	2022/23
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	4,066	3,128
Purchase of healthcare from non-NHS and non-DHSC bodies	921	876
Staff and executive directors costs	77,377	72,735
Remuneration of non-executive directors	112	131
Supplies and services - clinical (excluding drugs costs)	9,005	9,543
Supplies and services - general	721	728
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	1,686	1,305
Inventories written down	0	1
Consultancy costs	0	174
Establishment	2,951	3,618
Premises	8,130	5,905
Depreciation on property, plant and equipment	3,734	3,501
Amortisation on intangible assets	6	23
Net impairments	500	220
Movement in credit loss allowance: contract receivables / contract assets	8	14
Increase/(decrease) in other provisions	1,280	(278)
Fees payable to the external auditor		
audit services- statutory audit	132	76
Internal audit costs	58	91
Clinical negligence	264	239
Legal fees	109	92
Insurance	98	101
Research and development	97	90
Education and training	602	640
Expenditure on short term leases	65	23
Redundancy	116	221
Car parking & security	136	139
Hospitality	8	11
Losses, ex gratia & special payments	1	1
Other services, eg external payroll	370	419
Other	713	652
Total	**113,266**	**104,419**
Of which:		
Related to continuing operations	113,266	104,419
Related to discontinued operations	0	0

An additional analysis of significant items of expenditure included in 23/24 Other £713k (22/23 £652k): Ministry of Justice Bed watch & Escort Scheme £237k (22/23 £439k), Care Quality Commission Subscription £63k (22/23 £65k), Other Organisation Subscriptions £63k (22/23 £44k) , Mayfair Centre Revenue Grant £58k (22/23 £55k), Office/Building Removals £28K (22/23 £21K)

Note 6.2 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2 million (2022/23: £2 million).

The auditor's liability under the Shared Business Services Framework - Lot 1 subject to clauses 12.2, 13.1, 13.3, and 13.5 of schedule 2 of the standard framework, the total liability of each Party to the other under or in connection with the Framework Agreement whether arising in contract, tort, negligence, breach of statutory duty or otherwise shall be limited in aggregate to two million GBP (£2,000,000).

Note 7 Impairment of assets

	2023/24	2022/23
	£000	£000
Net impairments charged to operating surplus resulting from:		
Changes in market price	500	220
Other	0	0
Total net impairments charged to operating surplus	**500**	**220**
Impairments charged to the revaluation reserve	704	3,098
Total net impairments	**1,204**	**3,318**

The impairment of £1,204k relates to a reduction in the valuation of property and land following a full revaluation by the District Valuer as at 31.03.2024. The £500k relates to the revaluation of land and tenant improvements that were not covered by the revaluation reserve, at Whitchurch Hospital (£356k), Bridgnorth Hospital (£56k), Oswestry Primary care Centre (£41k) and Ludlow Hospital (£34K), this also includes a reduction in the valuation of a Peppercorn lease at Bishops Castle (£12k). The £704k mainly relates to a reduction in the valuation of Land at Bridgnorth Hospital (£133k), Whitchurch Hospital (£99k) and Peppercorn leased land (£31k) and capital works carried out by the Trust that did not increase the valuation of the properties, Whitchurch Hospital (£227k), Dawley Dental (£142k) and Ludlow (£56k).

Note 8 Employee benefits

	2023/24 Total £000	2022/23 Total £000
Salaries and wages	55,613	54,239
Social security costs	5,330	4,588
Apprenticeship levy	266	227
Employer's contributions to NHS pensions	10,380	9,198
Pension cost - other	23	35
Temporary staff (including agency)	5,881	4,669
Total gross staff costs	**77,493**	**72,956**
Recoveries in respect of seconded staff	0	0
Total staff costs	**77,493**	**72,956**
Of which		
Costs capitalised as part of assets	0	0

Note 8.1 Retirements due to ill-health

During 2023/24 there were no early retirements from the trust agreed on the grounds of ill-health (2 in the year ended 31 March 2023). The estimated additional pension liabilities of these ill-health retirements is 0k (£12k 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. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. 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 employer contribution rate will increase to 23.7% from 1 April 2024 (previously 20.6%). The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

Note 10 Finance income

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

	2023/24	2022/23
	£000	£000
Interest on bank accounts	1,269	495
Total finance income	**1,269**	**495**

Note 11.1 Finance expenditure

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

	2023/24	2022/23
	£000	£000
Interest expense:		
Interest on lease obligations	111	80
Total finance costs	**111**	**80**

Note 12 Other gains / (losses)

	2023/24	2022/23
	£000	£000
Gains on disposal of assets	95	6
Losses on disposal of assets	(13)	(11)
Total gains / (losses) on disposal of assets	**82**	**(5)**
Other gains / (losses)	0	0
Total other gains / (losses)	**82**	**(5)**

Note 13.1 Intangible assets - 2023/24

	Software licences	Other (purchased)	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2023 - brought forward	**95**	**17**	**112**
Additions	0	0	**0**
Impairments	0	0	**0**
Revaluations	0	0	**0**
Reclassifications	0	0	**0**
Disposals / derecognition	0	0	**0**
Valuation / gross cost at 31 March 2024	**95**	**17**	**112**
Amortisation at 1 April 2023 - brought forward	**84**	**10**	**94**
Provided during the year	3	3	**6**
Impairments	0	0	**0**
Revaluations	0	0	**0**
Reclassifications	0	0	**0**
Disposals / derecognition	0	0	**0**
Amortisation at 31 March 2024	**87**	**13**	**100**
Net book value at 31 March 2024	**8**	**4**	**12**
Net book value at 1 April 2023	**11**	**7**	**18**

Note 13.2 Intangible assets - 2022/23

	Software licences	Other (purchased)	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2022 - as previously stated	**95**	**17**	**112**
Additions	0	0	**0**
Impairments	0	0	**0**
Revaluations	0	0	**0**
Reclassifications	0	0	**0**
Disposals / derecognition	0	0	**0**
Valuation / gross cost at 31 March 2023	**95**	**17**	**112**
Amortisation at 1 April 2022 - as previously stated	**65**	**6**	**71**
Provided during the year	19	4	**23**
Impairments	0	0	**0**
Revaluations	0	0	**0**
Reclassifications	0	0	**0**
Disposals / derecognition	0	0	**0**
Amortisation at 31 March 2023	**84**	**10**	**94**
Net book value at 31 March 2023	**11**	**7**	**18**
Net book value at 1 April 2022	**30**	**11**	**41**

Note 14.1 Property, plant and equipment - 2023/24

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2023 - brought forward	**4,623**	**20,734**	**903**	**3,464**	**24**	**4,949**	**22**	**34,719**
Additions	0	973	596	106	0	923	0	**2,598**
Impairments	(264)	(828)	0	0	0	0	0	**(1,092)**
Reversals of impairments	0	418	0	0	0	0	0	**418**
Revaluations	(15)	(896)	0	2	0	0	0	**(909)**
Reclassifications	0	895	(903)	8	0	0	0	**0**
Transfers to / from assets held for sale	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	(571)	(24)	(1,092)	0	**(1,687)**
Valuation/gross cost at 31 March 2024	**4,344**	**21,296**	**596**	**3,009**	**0**	**4,780**	**22**	**34,047**
Accumulated depreciation at 1 April 2023 - brought forward	**0**	**453**	**0**	**2,362**	**24**	**2,552**	**20**	**5,411**
Provided during the year	0	1,005	0	208	0	883	1	**2,097**
Impairments	15	492	0	0	0	0	0	**507**
Reversals of impairments	0	(11)	0	0	0	0	0	**(11)**
Revaluations	(15)	(1,731)	0	0	0	0	0	**(1,746)**
Reclassifications	0	0	0	0	0	0	0	**0**
Transfers to / from assets held for sale	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	(558)	(24)	(1,092)	0	**(1,674)**
Accumulated depreciation at 31 March 2024	**0**	**208**	**0**	**2,012**	**0**	**2,343**	**21**	**4,584**
Net book value at 31 March 2024	**4,344**	**21,088**	**596**	**997**	**0**	**2,437**	**1**	**29,463**
Net book value at 1 April 2023	**4,623**	**20,281**	**903**	**1,102**	**0**	**2,397**	**2**	**29,308**

Accumulated Depreciation is not fully reversed as a small number of buildings were not covered by the full revaluation and have been indexed.

Note 14.2 Property, plant and equipment - 2022/23

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2022 - as previously stated	**4,300**	**21,861**	**1,409**	**3,649**	**24**	**4,306**	**22**	**35,571**
Additions	0	825	1,074	140	0	605	0	**2,644**
Impairments	0	(3,191)	0	0	0	0	0	**(3,191)**
Reversals of impairments	0	93	0	0	0	0	0	**93**
Revaluations	323	(126)	0	16	0	0	0	**213**
Reclassifications	0	1,272	(1,580)	(1)	0	309	0	**0**
Transfers to / from assets held for sale	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	(340)	0	(271)	0	**(611)**
Valuation/gross cost at 31 March 2023	**4,623**	**20,734**	**903**	**3,464**	**24**	**4,949**	**22**	**34,719**
Accumulated depreciation at 1 April 2022 - as previously stated	**0**	**433**	**0**	**2,456**	**24**	**2,085**	**20**	**5,018**
Provided during the year	0	1,066	0	231	0	738	0	**2,035**
Impairments	0	212	0	0	0	0	0	**212**
Reversals of impairments	0	0	0	0	0	0	0	**0**
Revaluations	0	(1,258)	0	4	0	0	0	**(1,254)**
Reclassifications	0	0	0	0	0	0	0	**0**
Transfers to / from assets held for sale	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	(329)	0	(271)	0	**(600)**
Accumulated depreciation at 31 March 2023	**0**	**453**	**0**	**2,362**	**24**	**2,552**	**20**	**5,411**
Net book value at 31 March 2023	**4,623**	**20,281**	**903**	**1,102**	**0**	**2,397**	**2**	**29,308**
Net book value at 1 April 2022	**4,300**	**21,428**	**1,409**	**1,193**	**0**	**2,221**	**2**	**30,553**

Note 14.3 Property, plant and equipment financing - 31 March 2024

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	4,344	20,440	0	596	592	0	2,437	1	**28,410**
Owned - donated/granted	0	648	0	0	405	0	0	0	**1,053**
Total net book value at 31 March 2024	**4,344**	**21,088**	**0**	**596**	**997**	**0**	**2,437**	**1**	**29,463**

Note 14.4 Property, plant and equipment financing - 31 March 2023

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	4,623	19,623	0	903	620	0	2,397	2	**28,168**
Owned - donated/granted	0	658	0	0	482	0	0	0	**1,140**
Total net book value at 31 March 2023	**4,623**	**20,281**	**0**	**903**	**1,102**	**0**	**2,397**	**2**	**29,308**

Note 14.5 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2024

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Subject to an operating lease	358	1,014	0	0	0	0	0	0	**1,372**
Not subject to an operating lease	3,986	20,074	0	596	997	0	2,437	1	**28,091**
Total net book value at 31 March 2024	**4,344**	**21,088**	**0**	**596**	**997**	**0**	**2,437**	**1**	**29,463**

Note 14.6 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Subject to an operating lease	393	991	0	0	0	0	0	0	**1,384**
Not subject to an operating lease	4,230	19,290	0	903	1,102	0	2,397	2	**27,924**
Total net book value at 31 March 2023	**4,623**	**20,281**	**0**	**903**	**1,102**	**0**	**2,397**	**2**	**29,308**

Note 15 Donations of property, plant and equipment

The Trust did not receive cash donations for the purchase of plant and equipment during 2023/24. In 2022/23 it received £137k from the League of Friends (LoF).

Note 16 Revaluations of property, plant and equipment

The 5 yearly full land and buildings revaluation has taken place this Financial year by the Valuation Office Agency (VOA) with an effective date of 31st March 2024. The next full revaluation is due on the 31st March 2029.

The full valuation exercise included valuations for Land, Buildings and the majority of the Trust's tenant improvements. This included a revision to the useful lives of the Buildings and Tennant improvements.

Of the £25.0m net book value of land and buildings subject to valuation by the Valuer, £4.3m relates to land and £20.6m relates to specialised assets valued on a depreciated replacement cost basis. Here the valuer bases their assessment on the cost to the Trust of replacing the service potential of the assets. £0.1m relates to non specialised assets and these are valued at Existing Use Value (EUV).

BCIS indices, provided to the Trust by the Valuation Office Agency were used to reflect changes in value of other building assets with the Net Book Value of £0.193m and that are over a year old increasing the Net Book value to £0.199m. Those Building assets purchased in year that the valuer was not made aware of have not been revalued with most assets procured in the last quarter of 2023/24.

Land and buildings revaluation amounted to an impairment in the value of land of £279k and a decrease of £61k (revaluation £830k and impairment of £891k) for buildings and an increase for buildings indexed using BCIS indices of £6k. Revaluation values overall decreased by 6% for Land, 0.3% for buildings and for buildings that were indexed the BCIS indices was 2.9%. An impairment of £673k for land and buildings was charged to the revaluation reserve in relation to the full revaluation by the District valuer and £500k was charged to I&E (see note 7 - Impairment of assets £1,204k (£31k relates to impairment of peppercorn leases)).

Peppercorn Leases for Land and Building were also revalued as at the 31.03.2024 and this decreased the valuation of Land by £43k and increased the building by £15k.

The gross carrying amount of fully depreciated assets still in use was £2.3m.

Indexation of 0.8% was applied to equipment assets with a net book value of £30k and an economic life greater than 10 years, being 2 assets resulting in an increase of £1k.

Note 17 Leases - Shropshire Community Health NHS Trust as a lessee

This note details information about leases for which the Trust is a lessee.

The majority of the leases the Trust has as a lessee are for buildings. These are for both fixed rental agreements which are not dependant on an index or rate and a Peppercorn lease agreement where no rent is paid.

The Trust has equipment leases mainly for pool cars and vans

The Trust also has a number of Peppercorn leases for land and one for a building

Note 17.1 Right of use assets - 2023/24

	Property (land and buildings) £000	Plant & machinery £000	Transport equipment £000	Total £000	Of which: leased from DHSC group bodies £000
Valuation / gross cost at 1 April 2023 - brought forward	**10,409**	**4**	**93**	**10,506**	**7,618**
Additions	2,946	3	72	**3,021**	0
Remeasurements of the lease liability	925	0	0	**925**	1,071
Movements in provisions for restoration / removal costs	312	0	0	**312**	14
Impairments	(30)	0	0	**(30)**	0
Reversal of impairments	0	0	0	**0**	0
Revaluations	(53)	0	0	**(53)**	0
Reclassifications	0	0	0	**0**	0
Disposals / derecognition	(1,269)	(4)	(73)	**(1,346)**	(777)
Valuation/gross cost at 31 March 2024	**13,240**	**3**	**92**	**13,335**	**7,926**
Accumulated depreciation at 1 April 2023 - brought forward	**1,361**	**3**	**48**	**1,412**	**1,035**
Provided during the year	1,584	2	51	**1,637**	1,093
Impairments	12	0	0	**12**	0
Reversal of impairments	(8)	0	0	**(8)**	0
Revaluations	(59)	0	0	**(59)**	0
Reclassifications	0	0	0	**0**	0
Disposals / derecognition	(769)	(4)	(65)	**(838)**	(567)
Accumulated depreciation at 31 March 2024	**2,121**	**1**	**34**	**2,156**	**1,561**
Net book value at 31 March 2024	**11,119**	**2**	**58**	**11,179**	**6,365**
Net book value at 1 April 2023	**9,048**	**1**	**45**	**9,094**	**6,583**

Net book value of right of use assets leased from other NHS providers	691
Net book value of right of use assets leased from other DHSC group bodies	5,674

Note 17.2 Right of use assets - 2022/23

	Property (land and buildings) £000	Plant & machinery £000	Transport equipment £000	Total £000	Of which: leased from DHSC group bodies £000
IFRS 16 implementation - adjustments for existing operating leases / subleases	10,065	4	72	**10,141**	7,615
Additions	358	0	21	**379**	0
Remeasurements of the lease liability	13	0	0	**13**	3
Movements in provisions for restoration / removal costs	0	0	0	**0**	0
Impairments	0	0	0	**0**	0
Reversal of impairments	0	0	0	**0**	0
Revaluations	(27)	0	0	**(27)**	0
Reclassifications	0	0	0	**0**	0
Disposals / derecognition	0	0	0	**0**	0
Valuation/gross cost at 31 March 2023	**10,409**	**4**	**93**	**10,506**	**7,618**
Accumulated depreciation at 1 April 2022 - brought forward	0	0	0	**0**	0
Provided during the year	1,415	3	48	**1,466**	1,035
Impairments	8	0	0	**8**	0
Reversal of impairments	0	0	0	**0**	0
Revaluations	(62)	0	0	**(62)**	0
Reclassifications	0	0	0	**0**	0
Disposals / derecognition	0	0	0	**0**	0
Accumulated depreciation at 31 March 2023	**1,361**	**3**	**48**	**1,412**	**1,035**
Net book value at 31 March 2023	**9,048**	**1**	**45**	**9,094**	**6,583**
Net book value at 1 April 2022	**0**	**0**	**0**	**0**	**0**

Net book value of right of use assets leased from other NHS providers	726
Net book value of right of use assets leased from other DHSC group bodies	5,857

Note 17.3 Revaluations of right of use assets

The Trust has 7 peppercorn leases, 6 for Land and 1 for a building. The buildings on the land leases are valued in PPE as tenant improvements see note 16.

With peppercorn leases the cost model is not an appropriate proxy for current value in existing use. In these cases the Trust has used the revaluation model under IFRS 16 to establish a valuation. The Valuation Office Agency (VOA) valued these leases at 31st March 2024 (£1,135k). The Land Leases decreased by £42k of which £12k was charged to I&E and the building lease increased by £15k reversing the £8k impairment charged to I&E in 2022/23.

Note 17.3 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 23.

	2023/24	2022/23
	£000	£000
Carrying value at 31 March	**7,928**	**0**
IFRS 16 implementation - adjustments for existing operating leases		8,888
Transfers by absorption	0	0
Lease additions	2,935	371
Lease liability remeasurements	925	13
Interest charge arising in year	111	80
Early terminations	(516)	0
Lease payments (cash outflows)	(1,513)	(1,424)
Other changes	0	0
Carrying value at 31 March	**9,870**	**7,928**

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 17.4 Maturity analysis of future lease payments

	Total	Of which leased from DHSC group bodies:	Total	Of which leased from DHSC group bodies:
	31 March 2024	31 March 2024	31 March 2023	31 March 2023
	£000	£000	£000	£000
Undiscounted future lease payments payable in:				
- not later than one year;	1,574	891	1,283	919
- later than one year and not later than five years;	5,202	3,408	4,121	3,193
- later than five years.	3,875	2,371	2,828	2,781
Total gross future lease payments	**10,651**	**6,670**	**8,232**	**6,893**
Finance charges allocated to future periods	(781)	(248)	(304)	(280)
Net lease liabilities at 31 March 2024	**9,870**	**6,422**	**7,928**	**6,613**
Of which:				
Leased from other NHS providers		696		729
Leased from other DHSC group bodies		5,726		5,884

Note 18 Inventories

	31 March 2024 £000	31 March 2023 £000
Drugs	0	0
Work In progress	0	0
Consumables	185	295
Energy	0	0
Other	0	317
Total inventories	**185**	**612**
of which:		
Held at fair value less costs to sell	0	0

Inventories recognised in expenses for the year were £3,012k (2022/23: £3,536k). Write-down of inventories recognised as expenses for the year were £0k (2022/23: £1k).

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 £6k of items purchased by DHSC (2022/23: £128k).

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 19.1 Receivables

	31 March 2024 £000	31 March 2023 £000
Current		
Contract receivables	1,330	4,052
Allowance for impaired contract receivables / assets	(28)	(26)
Prepayments (non-PFI)	704	704
Interest receivable	114	81
PDC dividend receivable	260	47
VAT receivable	129	114
Other receivables	119	98
Total current receivables	**2,628**	**5,070**
Non-current		
Allowance for impaired contract receivables / assets	(22)	(19)
Prepayments (non-PFI)	43	51
Other receivables	197	216
Total non-current receivables	**218**	**248**
Of which receivable from NHS and DHSC group bodies:		
Current	478	3,448
Non-current	103	143

The decrease in contract receivables mainly relates to the 2022/23 central funding for the Agenda for change pay offer of £2,831k that was received in 2023/24.

Note 19.2 Allowances for credit losses

	2023/24		2022/23	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 April - brought forward	**45**	**0**	**40**	**0**
New allowances arising	9	0	14	0
Reversals of allowances	(1)	0	0	0
Utilisation of allowances (write offs)	(3)	0	(9)	0
Allowances as at 31 Mar 2024	**50**	**0**	**45**	**0**

The credit losses in 2023/24 also include an allowance of £47k for unsuccessful compensation claims in relation to the NHS injury cost recovery scheme.

Note 19.3 Exposure to credit risk

Credit loss provision - Non NHS contract receivables	**Gross Amount**	**Lifetime Expected Loss Allowance**
	£'000	£'000
Days past invoice date		
0-30 days	599	0
31-60 days	484	0
61-90 days	11	0
Over 90 days	24	1
Total	**1,118**	**1**

Note 20 Non-current assets held for sale and assets in disposal groups

	2023/24	2022/23
	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**189**	**189**
Assets sold in year	(189)	0
NBV of non-current assets for sale and assets in disposal groups at 31 March	**0**	**189**

The non current asset held for sale related to the Much Wenlock Clinic - Lady Forester. This asset had a net book value of £189k consisting of £152k land and £37k buildings. This asset was sold in April 2023.

Note 21 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	2022/23
	£000	£000
At 1 April	**18,580**	**18,664**
Net change in year	1,259	(84)
At 31 March	**19,839**	**18,580**
Broken down into:		
Cash at commercial banks and in hand	3	4
Cash with the Government Banking Service	19,836	18,576
Deposits with the National Loan Fund	0	0
Other current investments	0	0
Total cash and cash equivalents as in SoFP	**19,839**	**18,580**
Bank overdrafts (GBS and commercial banks)	0	0
Drawdown in committed facility	0	0
Total cash and cash equivalents as in SoCF	**19,839**	**18,580**

Note 22 Trade and other payables

	31 March 2024 £000	31 March 2023 £000
Current		
Trade payables	2,079	1,736
Capital payables	773	502
Accruals	2,837	2,547
Receipts in advance and payments on account	733	1,394
Social security costs	737	695
VAT payables	0	0
Other taxes payable	545	480
PDC dividend payable	0	0
Pension contributions payable	1,006	876
Other payables	117	3,371
Total current trade and other payables	**8,827**	**11,601**
Of which payables from NHS and DHSC group bodies:		
Current	2,074	2,573
Non-current	0	0

The decrease in other payables relates to £2,944k for the Agenda for change pay award that was paid in 2023/24.

Note 23 Borrowings

	31 March 2024 £000	31 March 2023 £000
Current		
Lease liabilities	1,408	1,215
Total current borrowings	**1,408**	**1,215**
Non-current		
Lease liabilities	8,462	6,713
Total non-current borrowings	**8,462**	**6,713**

Note 23.1 Reconciliation of liabilities arising from financing activities

	Loans from DHSC	Other loans	Lease Liabilities	Total
	£000	£000	£000	£000
Carrying value at 1 April 2023	**0**	**0**	**7,928**	**7,928**
Cash movements:				
Financing cash flows - payments and receipts of principal	0	0	(1,402)	**(1,402)**
Financing cash flows - payments of interest	0	0	(111)	**(111)**
Non-cash movements:				
Additions	0	0	2,935	**2,935**
Lease liability remeasurements	0	0	925	**925**
Application of effective interest rate	0	0	111	**111**
Change in effective interest rate	0	0	0	**0**
Changes in fair value	0	0	0	**0**
Early terminations	0	0	(516)	**(516)**
Other changes	0	0	0	**0**
Carrying value at 31 March 2024	**0**	**0**	**9,870**	**9,870**

	Loans from DHSC	Other loans	Lease Liabilities	Total
	£000	£000	£000	£000
Carrying value at 1 April 2022	**0**	**0**	**0**	**0**
Financing cash flows - payments and receipts of principal	0	0	(1,344)	**(1,344)**
Financing cash flows - payments of interest	0	0	(80)	**(80)**
Non-cash movements:				
Impact of implementing IFRS 16 on 1 April 2022			8,888	**8,888**
Additions	0	0	371	**371**
Lease liability remeasurements	0	0	13	**13**
Application of effective interest rate	0	0	80	**80**
Change in effective interest rate	0	0	0	**0**
Changes in fair value	0	0	0	**0**
Early terminations	0	0	0	**0**
Other changes	0	0	0	**0**
Carrying value at 31 March 2023	**0**	**0**	**7,928**	**7,928**

Note 24.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Re-structuring	Equal Pay (including Agenda for Change)	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2023	**0**	**0**	**16**	**0**	**0**	**0**	**1,530**	**1,546**
Change in the discount rate	0	0	0	0	0	0	(23)	**(23)**
Arising during the year	0	0	20	0	0	0	1,572	**1,592**
Utilised during the year	0	0	(21)	0	0	0	0	**(21)**
Reclassified to liabilities held in disposal groups	0	0	0	0	0	0	0	**0**
Reversed unused	0	0	0	0	0	0	(23)	**(23)**
Unwinding of discount	0	0	0	0	0	0	7	**7**
At 31 March 2024	**0**	**0**	**15**	**0**	**0**	**0**	**3,063**	**3,078**
Expected timing of cash flows:								
- not later than one year;	0	0	15	0	0	0	1,546	**1,561**
- later than one year and not later than five years;	0	0	0	0	0	0	1,191	**1,191**
- later than five years.	0	0	0	0	0	0	326	**326**
Total	**0**	**0**	**15**	**0**	**0**	**0**	**3,063**	**3,078**

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

The provision in Other (£3,063k) relates to 3 provisions:

1) £1,527k relates to dilapidation provisions for leased properties.

2) £1,431k is the estimated probable impact of restructuring costs relating to Service reviews

3) A £105k provision relating to the 2019/20 clinicians' pensions scheme and this is the Trusts estimated liability as at 31 March 2023 provided by NHS England.

Note 24.2 Clinical negligence liabilities

At 31 March 2024, £1,434k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Shropshire Community Health NHS Trust (31 March 2023: £822k).

Note 25 Contingent assets and liabilities

	31 March 2024 £000	31 March 2023 £000
Value of contingent liabilities		
NHS Resolution legal claims	0	(9)
Employment tribunal and other employee related litigation	0	0
Redundancy	0	0
Other	0	0
Gross value of contingent liabilities	**0**	**(9)**
Amounts recoverable against liabilities	0	0
Net value of contingent liabilities	**0**	**(9)**
Net value of contingent assets	**0**	**0**

Note 26 Contractual capital commitments

	31 March 2024 £000	31 March 2023 £000
Property, plant and equipment	115	312
Intangible assets	0	0
Total	**115**	**312**

Note 27 Financial instruments

Note 27.1 Financial risk management

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

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

Since the financial instruments are all short term in nature, the Trust considers that the carrying amounts disclosed are a reasonable approximation of fair value and no further estimate of fair value is reported.

Currency risk

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

Interest rate risk

Currently the Trust has no loans with the only borrowings for Lease Liabilities. However, it could borrow from the government for capital expenditure, subject to affordability as confirmed by NHS England and NHS Improvement. The borrowings would be for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has a very low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2024 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

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

Note 27.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2024	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	1,597	0	0	**1,597**
Other investments / financial assets	0	0	0	**0**
Cash and cash equivalents	19,839	0	0	**19,839**
Total at 31 March 2024	**21,436**	**0**	**0**	**21,436**

Carrying values of financial assets as at 31 March 2023	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	4,321	0	0	**4,321**
Other investments / financial assets	0	0	0	**0**
Cash and cash equivalents	18,580	0	0	**18,580**
Total at 31 March 2023	**22,901**	**0**	**0**	**22,901**

Note 27.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2024	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Obligations under leases	9,870	0	**9,870**
Trade and other payables excluding non financial liabilities	5,806	0	**5,806**
Provisions under contract	3,078	0	**3,078**
Total at 31 March 2024	**18,754**	**0**	**18,754**

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Obligations under leases	7,928	0	**7,928**
Trade and other payables excluding non financial liabilities	8,156	0	**8,156**
Provisions under contract	1,546	0	**1,546**
Total at 31 March 2023	**17,630**	**0**	**17,630**

The amortised value of the liabilities is a reasonable approximation of the fair value

Note 27.4 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	31 March 2024 £000	31 March 2023 £000
In one year or less	8,941	9,675
In more than one year but not more than five years	6,393	4,691
In more than five years	4,201	3,568
Total	**19,535**	**17,934**

Note 28 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
Losses				
Cash losses	1	0	0	0
Fruitless payments and constructive losses	0	0	0	0
Bad debts and claims abandoned	292	3	539	8
Stores losses and damage to property	0	0	0	0
Total losses	**293**	**3**	**539**	**8**
Special payments				
Compensation under court order or legally binding arbitration award	0	0	0	0
Extra-contractual payments	0	0	0	0
Ex-gratia payments	2	1	2	1
Special severance payments	0	0	0	0
Extra-statutory and extra-regulatory payments	0	0	0	0
Total special payments	**2**	**1**	**2**	**1**
Total losses and special payments	**295**	**4**	**541**	**9**
Compensation payments received				

The vast majority of abandoned bad debt relates to Prescription charges at the Trusts Minor Injury Units with 279 cases at a cost of £3k.

Note 29 Related parties

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

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

Health Education England
Midlands Partnership NHS Foundation Trust
NHS England
NHS Pension Scheme
NHS Property Services
The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust
Shrewsbury & Telford Hospitals NHS Trust
Shropshire, Telford & Wrekin ICB
HM Revenue and Customs

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

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

Note 30 Better Payment Practice code

Non-NHS Payables	2023/24 Number	2023/24 £000	2022/23 Number	2022/23 £000
Total non-NHS trade invoices paid in the year	26,096	25,057	26,295	27,440
Total non-NHS trade invoices paid within target	25,576	24,354	25,824	27,047
Percentage of non-NHS trade invoices paid within target	98.0%	97.2%	98.2%	98.6%
NHS Payables				
Total NHS trade invoices paid in the year	755	15,712	817	16,063
Total NHS trade invoices paid within target	728	15,135	787	15,716
Percentage of NHS trade invoices paid within target	96.4%	96.3%	96.3%	97.8%

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

Note 31 External financing limit

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

	2023/24 £000	2022/23 £000
Cash flow financing	(2,636)	(1,260)
Leases taken out in year		
Other capital receipts		
External financing requirement	**(2,636)**	**(1,260)**
External financing limit (EFL)	(2,635)	(1,260)
Under / (over) spend against EFL	**1**	**0**

Note 32 Capital Resource Limit

	2023/24 £000	2022/23 £000
Gross capital expenditure	6,544	3,036
Less: Disposals	(710)	(11)
Less: Donated and granted capital additions	0	(137)
Plus: Loss on disposal from capital grants in kind and peppercorn lease disposals	0	0
Charge against Capital Resource Limit	**5,834**	**2,888**
Capital Resource Limit	5,835	2,888
Under / (over) spend against CRL	**1**	**0**

Note 33 Breakeven duty financial performance

	2023/24 £000
Adjusted financial performance surplus / (deficit) (control total basis)	224
Remove impairments scoring to Departmental Expenditure Limit	0
Add back non-cash element of On-SoFP pension scheme charges	0
Add back incremental impact of IFRS 16 on PFI revenue costs in 2023/24	0
IFRIC 12 breakeven adjustment	0
Breakeven duty financial performance surplus / (deficit)	**224**

Adjusted financial performance (control total basis):	2023/24 £000	2022/23 £000
Surplus / (deficit) for the period	(459)	833
Remove net impairments not scoring to the Departmental expenditure limit	500	220
Remove (gains) / losses on transfers by absorption	0	0
Remove I&E impact of capital grants and donations	157	42
Prior period adjustments	0	0
Remove non-cash element of on-SoFP pension costs	0	0
Remove impact of IFRS 16 on IFRIC 12 schemes	0	
Remove net impact of inventories received from DHSC group bodies for COVID response	26	(3)
Remove loss recognised on peppercorn lease disposals	0	0
Remove loss recognised on return of donated COVID assets to DHSC	0	0
Adjusted financial performance surplus / (deficit)	**224**	**1,092**

Note 34 Breakeven duty rolling assessment

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		0	0	1,397	1,496	234	352	1,355
Breakeven duty cumulative position	0	0	0	1,397	2,893	3,127	3,479	4,834
Operating income		0	0	80,802	79,679	76,105	75,286	78,940
Cumulative breakeven position as a percentage of operating income		0.0%	0.0%	1.7%	3.6%	4.1%	4.6%	6.1%

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	2,596	2,758	2,492	971	244	2,761	1,092	224
Breakeven duty cumulative position	7,430	10,188	12,680	13,651	13,895	16,656	17,748	17,972
Operating income	79,377	77,861	80,942	88,443	96,552	99,620	105,480	112,057
Cumulative breakeven position as a percentage of operating income	9.4%	13.1%	15.7%	15.4%	14.4%	16.7%	16.8%	16.0%

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