2016/17

Annual Report
and Accounts

Sheffield
City Council

NHS
Sheffield Health
and Social Care
NHS Foundation Trust

Sheffield Health and Social Care NHS Foundation Trust

Annual Report and Accounts 2016/17

Presented to Parliament pursuant to Schedule 7, paragraph 25 (4)(a) of the National Health Service Act 2006

Contents

Section 1.0 Welcome from the Chair and Chief Executive

Welcome to our Annual Report for 2016/17
This is our chance to look back over the year and share with you the many highlights, showcase the awards our staff and teams have gained through their endeavours and, of course, talk about the challenges our Trust has faced.

It is also our opportunity to say thank you. Thank you to our 2,643 staff, our 168 volunteers, our governors, members and supporters – and our thousands of service users, their families and carers.

The combined efforts of all these people help us achieve our purpose - to improve people's health, wellbeing and social inclusion so they can live fulfilled lives in their community.

It has been a year of achievement - we were the first mental health trust to win the service redesign category at the Health Service Journal awards for our work transforming mental health care.

It was also a year when we were officially rated as *Good* by the independent national regulator, the Care Quality Commission. Our staff worked hard during the rigorous inspection during November 2016 and we want to highlight their efforts.

We were delighted with the news that we had moved from *Requires Improvement* to *Good* - but at the same time we know we have much more work to do and we are on with that work and determined to address the areas highlighted by the inspection.

We also held our second Compassion Conference, a highly successful event which aims to help us live one of our values every day – to show empathy and kindness to others so they feel supported, understood and safe. We will be continuing with these important events and would like to thank service users and carers for their support with them.

It has also been a year of change – many changes are taking place nationally across health and social care and for us that sadly meant we closed some of our learning disability and social care support services.

All NHS organisations are seeing change and we are committed to adapting accordingly, investing in the future and going from strength to strength for our service users and their families.

As a result of this we have also seen services grow - our Improving Access to Psychological Therapies Service, which helps people overcome common mental health issues, was re-launched to offer service users more choice and improve access, and in 2017/18 another £1.8m will further boost the service.

This is just a snapshot of an incredibly busy year, which happily we also ended in a strong financial position. We hope you find the annual report interesting and informative and we would love to hear from you if you have any questions, concerns or ideas.

Many thanks

Jayne Brown OBE
Chair
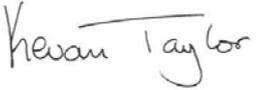
Kevan Taylor
Chief Executive

Section 2.0 Performance Report

2.1 Performance Overview

Statement from Kevan Taylor, Chief Executive Officer

This section is to help you understand more about our organisation, what we do, how we've performed over the last year and the challenges we face.

Kevan Taylor, Chief Executive

Some of the highlights of our year

We were the first mental health trust to win the service redesign category at the Health Service Journal (HSJ) awards for our work transforming acute mental health care.

Our fantastic staff were placed centre stage at our Recognition and Achievement Awards in February 2017- celebrating success and innovation and joined by our long service colleagues who have worked for us for more than 30 years.

In November 2016 we were delighted when the independent regulator the Care Quality Commission inspected our core services and officially rated us *Good* in 2017.

We were once again named as one of the best places to work in the NHS by the Nursing Times and the HSJ, in partnership with NHS Employers.

Our Transitions Group won a national award for their course helping young people aged 16 to 25 who struggle with the move from child and adolescent to adult services. They won the Patient Experience category at the national Positive Practice in Mental Health Awards.

We are proud to support and protect people's health and wellbeing. To meet our duty of care as an NHS organisation, put NICE Guidance into practice and provide a safe, smoke free place for everyone, we went completely smoke free on 31 May 2016. Over 50 staff have been trained as Smoking Cessation Practitioners and free Nicotine Replacement Therapy is available to all in-patients. Staff are also offered six weeks of free Nicotine Replacement Therapy either to support a quit attempt or to help them explore how to abstain from smoking while at work.

Our results for PLACE 2016 were above the national average in almost every area and achieved four 100% outcomes. PLACE (Patient Led Assessment of the Care Environment) is a national self-assessment process for assessing the quality of the hospital environment and covers cleanliness, food and hydration, privacy, dignity and wellbeing, and condition, appearance and maintenance in areas which are accessible to service users and the public.

South West Home Treatment Team successfully achieved full accreditation from the Royal College of Psychiatrists. A plan is now being developed for introducing the standards more widely across the other Home Treatment Teams.

The Psychiatric Liaison Service also successfully achieved full accreditation from the Royal College of Psychiatrists. The Psychiatric Liaison Accreditation Network (PLAN) award provides formal recognition that the service is committed to providing and improving quality of care in psychiatric liaison services.

Our Memory Service maintained its accreditation as *excellent* by the Memory Service National Accreditation Programme at the Royal College of Psychiatrists. The service also reduced waiting times for referrals from 29 weeks to no more than two weeks.

We installed a cardio wall on Endcliffe Ward to help improve a wide range of physical skills as well as mental wellbeing and as it's proved so popular we plan to roll it out to all our adult inpatient wards in the future.

We held our second Compassionate Care Conference in 2016 with staff and service users working together on this important issue for everyone involved in our Trust.

A bit of background
We were initially established in 2003 as Sheffield Care Trust and July1, 2008, we were authorised to operate as Sheffield Health and Social Care NHS Foundation Trust.
As a membership-based organisation our Board of Directors is accountable to the communities that we serve mainly through our Council of Governors, and directly to our members at our Annual Members' Meeting.   .

Did you know?

We employ around 2,600 staff including 536 nurses, 169 doctors, 879 support workers.

Our Council of Governors consists of people who use our services, their carers, representatives of members of the general public and our staff, in addition to appointed Governors from other Sheffield-based organisations with whom we work in close partnership (for example, NHS Sheffield Clinical Commissioning Group, MENCAP Sheffield, Sheffield African and Caribbean Mental Health Association). The diversity of our Council's membership helps our Board of Directors to always ensure that our services are shaped by the people who live in the communities we serve.
As a Foundation Trust we have certain freedoms to develop and improve services and offer more choice to service users.

Our vision and values
Our vision is for Sheffield Health and Social Care NHS Foundation Trust to be recognised nationally as a leading provider of high quality health and social care services and recognised as world class in terms of co-production, safety, improved outcomes, experience and social inclusion. We will be the first choice for service users, their families and Commissioners.

Did you know?

We ran a pilot of Wellness Interventions for our staff. A comprehensive fitness assessment was offered to staff which included an assessment of their physical fitness as well as health checks including blood pressure, cholesterol and blood glucose tests.

Our core values form the guiding principles and behaviours for the way we do our work:
- Respect
- Compassion
- Partnership
- Accountability
- Fairness
- Ambition.

Did you know?

We have signed the Time to Change organisational pledge and continue to work to challenge the stigma and discrimination which still surrounds mental health.

Our purpose and the services we provide

Our purpose is to improve people's health, wellbeing and social inclusion so they can live fulfilled lives in their community. We will achieve this by providing services aligned with primary care that meet people's health and social care needs, support recovery and improve health and wellbeing.

We provide mental health, learning disability, substance misuse, community rehabilitation, and a range of primary care and specialist services to the people of Sheffield. We also provide some of our specialist services to people living outside of Sheffield.

Our integrated approach to service delivery enables us to meet people's mental, physical, psychological and social care needs.

Did you know?

Around 50,000 people used our services this year.

The wide range of our services includes:
- Primary care services for people of all ages which we deliver through our GP Practices
- Services for adults with drug and alcohol misuse problems
- Psychological therapies for people with mild and moderate mental health problems
- Community-based mental health services for people with serious and enduring mental illness
- Services that support people with a learning disability and their families and carers
- In-patient mental health services for adults and older people
- Specialist services including: eating disorders, rehabilitation services for people with brain injuries or those living with the consequences of a long-term neurological condition, assertive outreach services for homeless people and members of the traveller community, perinatal mental health services and gender dysphoria services.

How we provide our services

Our community-based services aim to provide care and treatment to individuals and their families close to their homes and help them to maintain their independence and continue with their day-to-day lives as much as possible. We also provide a

range of in-patient (stay in hospital at least one night) and residential services for individuals who cannot be appropriately helped within their community. Through our learning disability services, we provide supported living to the people who use our services and we work closely with residential care homes and supported living facilities in partnership with housing associations.

Many of the people we help are visited in their own homes by our staff. Others attend our clinics to see nurses, social workers, therapists or doctors. We give treatment, care and help to the people who use our services on an individual or group basis. We also work alongside GPs and other staff in local health centres, or with staff from other organisations, often in the voluntary sector.

We often see individuals for short periods of time, providing advice and treatment which helps resolve the person's problems. For those with more serious, longer-term difficulties, we will support and work with them for a number of years.

Did you know?

We are working with South Yorkshire Housing Association on Building Better Opportunities - an employment service for adults with mental health problems, learning disabilities and complex needs.

How we've performed
We were pleased in March 2017 when the Care Quality Commission (CQC) rated our services as *Good* overall. Eight of our ten of our core services are now rated as *Good* and all our services were *Good or Outstanding* in the caring and responsive categories. The effective and responsive domains overall have moved from *Requires Improvement* to *Good* since the last inspection. However, we know we still have more work to do and we are committed to working closely with staff, service users and partners to bring about further improvements.

We work closely with our service users to improve the care and support we provide and these improvements were formally recognised by the CQC. You can find out more about this in our Quality Report (Section 4).

We are proud to report that during this year we have not had to send anyone out of Sheffield to access acute psychiatric in-patient care or psychiatric intensive care due to lack of beds here in Sheffield. Alongside this we have made changes to our rehabilitation services which has meant that people have been able to return to Sheffield from locked unit across the country to live independently in their own tenancies. More information about this is provided in Section 3.1.16.

A priority for us is improving access to psychological therapies and mental health treatment for people with physical health conditions. We are pleased to report that we secured £1.8million to support further expansion in our Improving Access to Psychological Therapies (IAPT) Services.

Did you know?

We re-launched our Improving Access to Psychological Therapies Service to offer service users more choice and improve access.

We end this year and begin next year in a strong financial position. We have a history of achieving all our financial targets, a high cash balance and our Cost Improvement Programme (CIP) achievement is strong. In respect of the year 2016/17, we exceeded our planned forecast of a £0.970m surplus and achieved a surplus of £1.529m. This is contributed to by £0.739m of Sustainability and Transformation Fund Incentive and Bonus payments received as a result of exceeding our control total. We have no private finance initiative (PFI) or debt to service other than public dividend capital interest payments.

As an NHS Foundation Trust, we are able to carry forward any financial surplus monies that we have generated. These surpluses have been used to maintain and, where appropriate, enhance the quality of the services that we provide including funding the capital investments planned for 2017/18 and beyond. The surpluses will also help to invest to support and secure our future financial stability, especially over the next few years, in order to mitigate the adverse impact of the continued current economic and financial climate.

The regulatory framework that evaluates our financial performance changed during 2016/17. We achieved a Financial Sustainability Risk Rating of 4 for April-September 2016, and a Use of Resources rating of 1 for October- March 2017 which provides us with assurance that our organisation is in good financial health. Although significant challenges remain financially for the Trust, and across the health and social care sector in Sheffield we continue to remain in a better position than many other NHS organisations.

Challenges we face
While the targets of our Cost Improvement Plans have been met for 2016/17, some of this delivery (approximately £1.138m) was through non-recurrent measures. This is predominantly considered to be down to the timing of agreed plans being implemented and plans remain in place that will address this during 2017/18.

Did you know?

Savings made from reducing out of city placements have been reinvested into the home treatment services.

Over the last year we have continued to reduce our provision of social care support to people with learning disabilities and older people with dementia as new service models have been commissioned. The cumulative effect over the last year has resulted in a reduction of income of £3.170m during 2016/17. £1.476m of this income reduction relates to core clinical income from activities primary linked to our contractual arrangements with the Local Authority. The balance relates to other operating income and non-patient care service provision.

We have submitted a two-year plan which forecasts reduced income levels of £112.7m in 2017/18 as a result of disinvestments due to the reductions in our provision of social care support to people with learning disabilities among others.

There is extensive change planned across health and social care services and this will impact on the way we deliver care and treatment to the communities we serve. The financial challenges remain significant - for us as a Foundation Trust, our main Commissioners and the rest of the health and social care community in Sheffield. We continually review the risks that may impact on our ability to deliver our objectives. While we have identified challenges that need to be addressed, and these are being addressed,

our assessment does not conclude that we are faced with significant risks that will impact on our capacity to deliver sustainable services over the coming years.

Through joint work across Sheffield and the wider South Yorkshire and Bassetlaw region we have clear plans that will shape the changes we need to make to ensure services remain sustainable in respect of quality of care, effectiveness and affordability. You can find out more at http://www.smybndccgs.nhs.uk/what-we-do/stp.

The social care landscape is highly competitive, with a diversity of care providers with a range of experience and skills. Our assessments have concluded that we will experience challenges in delivering competitive services in supported living for people with learning disabilities and within areas of social care support for people with mental health needs. We expect, therefore, that we will be providing less care in this area in the future as we change our service models accordingly.

Did you know?

We are committed to apprenticeships as a route into employment and have seen a 60% increase in numbers this year.

We need to invest in our in-patient facilities, as while they all remain registered and adhere to the expected standards, we want to provide the best care we can in the best environments for our service users. We need to invest in our in-patient facilities, because while they all remain registered and adhere to the expected standards, we want to provide the best care we can in the best environments for our service users. To help us do this, we are continuing to invest in-patient facilities while also improving our facilities throughout the Trust over the next five years.

Capacity to handle risk
The Trust has structures and systems in place to support the delivery of integrated risk management across the organisation. The standing committees of the Board of Directors ensure effective governance for the major operational and strategic processes and systems of the Trust, and also provide assurance that risk is effectively managed.

Operations for the Trust are managed through an organisational structure, with operations divided into clinical and corporate directorates with governance committees in place for quality and performance and operational management.

The Annual Governance Statement (see 3.7) provides assurance that the Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives.

Going concern
After making enquiries, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Did you know?

We have been working with service users, carers, staff and other partners to develop plans for our new adult acute inpatient unit at the Longley Centre aiming for a 'healing environment.'

2.2 Performance Analysis
Performance relating to the quality of NHS services provided
The Trust's Quality Report in Section 4 provides comprehensive information on the Trust's performance in terms of the provision of quality services, including performance against mandated Core Indicators, Quality Indicators and the Trust's Quality Goals. The Quality Report also demonstrates how we improve, monitor and assure ourselves about the quality of the services and care we provide.

Detailed information about our performance across the above areas is contained throughout this Annual Report. Key highlights that summarise our performance are as follows:

Core standards about quality of care
- We achieve the core quality governance standards expected of us as an NHS Foundation Trust (see Section 3.1.18);
- The assessment of our services by the Care Quality Commission (CQC) highlights that overall as a Trust we are 'Good'. We have made good progress in addressing the issues raised by the CQC (see Quality Report, Section 4).

Development plans and service strategies
- We have reduced waiting times for key service areas and are achieving the new national access standards for mental health services (see Quality Report, Section 4);
- Our service plans and strategies are implemented successfully resulting in key changes that have transformed the experience of care for the people of Sheffield. These are summarised in Section 3.1.17 and Section 3.1.20 of this Annual Report;
- Our investment plans continue to support a planned improvement in the quality of our ward environments as part of our modernisation programme.

Did you know?

We're developing a Positive Behavioural Support style academy to support people with a learning disability within Sheffield.

Workforce
- Our staff report positively about their experiences working for us, and the care that they are able to provide (see Quality Report, Section 4);
- Staff ill-health remains an area of concern across the Trust and we continue to develop our strategies to deliver improvement informed by the views of our staff and Staff Side representatives (see Section 3.3.2).

Financial stability and sustainability
- We delivered a surplus of £1.529m ahead of plan of £0.970m;
- Our segmentation under NHS Improvement's Single Oversight Framework is 2. Our overall scoring for finance and use of resources for Q3 and Q4 is 1 (1 denotes the strongest performance);
- We effectively managed the risk associated with lost business and various disinvestment plans as a result of national tender exercises and increased competition from the private and voluntary sector, particularly in relation to learning disability services;

- We continue to deliver the majority of our Cost Improvement Plans and we have confidence the majority of the non-recurrent backlog has been identified recurrently for the year ahead;
- The work of the Audit Committee and the detailed assessment of the organisation remaining as a going concern supports the overall assessment that the Trust remains sustainable and resilient for the year ahead;
- Overall, we remain confident we have the plans in place to remain resilient and sustainable despite these challenging financial times across the NHS.

Did you know?

Our annual budget is £124 million.

Social, Community and Human Rights
We are committed to working with and within the local communities where we provide services.
- As an NHS Foundation Trust, we are directly accountable to the local community across Sheffield through our membership as represented by the Council of Governors. We hold regular members' meetings where people can raise topics with us (see Sections 3.1.27 and 3.1.28);
- We work closely with our partners in NHS Sheffield Clinical Commissioning Group and the local authority as well as other NHS organisations in the city. We also work closely with South Yorkshire Police through our Street Triage Service and our Liaison and Diversion Service (see Sections 3.1.21, 3.1.22 and 3.1.24);
- We are committed to working for equality and fairness in employment and in service delivery, and not to discriminate on the grounds of age, disability, race, nationality, ethnic or national origin, sex, gender, marital or family status, domestic circumstances, religious belief or similar philosophical belief, sexual orientation, social and employment status, HIV status, physical appearance, gender reassignment or non/trade union membership.
- We deliver our commitment to human rights through our Equality Objectives and our Workforce Race Equality Standard. Progress is recorded in our Equality and Human Rights Annual Report, available separately, and through regular reports to the Board of Directors (see our Equality Report in Section 3.8).

Did you know?

Our Liaison and Diversion Service has expanded - it identifies people from within the criminal justice system, court and probation service who could benefit from support.

Environmental impact and Sustainability Report
We pride ourselves on maintaining a clean environment for service users, visitors and staff.

Patient-Led Assessments of the Care Environment (PLACE) is the measure we use to monitor our cleanliness, food, privacy, dignity, wellbeing and condition, appearance and maintenance. The action plan arising from the latest PLACE assessments is available on our website.

We have developed a Sustainable Development Management Plan which outlines our longer-term strategic approach to sustainability and ensures the involvement of the entire organisation. For more information see the Sustainability Report in Section 3.9.

Congratulations to the following Award winners …

Health Service Journal Awards 2016
Winner - Service Redesign - Transforming Acute Mental Health Care in Sheffield – we are the first mental health Trust to win this award.

HSJ, Nursing Times in partnership with NHS Employers
Best Places to Work in the NHS 2016

Positive Practice in Mental Health Awards 2016
Winner - Patient Experience – Transition Group. The Transitions Group is a course for young people aged 16-25 who struggle with the move from child and adolescent to adult services.
Highly commended – Staff Mental Wellbeing – Community Enhancing Recovery Team (CERT).
Highly commended – Transforming Care – Acute Care Pathway.

Design in Mental Health Awards 2016
Winner - Best refurbishment – Endcliffe Ward.

Talent for Care Awards (Health Education England)
Winner – Partnership – South Yorkshire Band 4 project. The project is a partnership between our Trust and others in the region which is developing new roles (Assistant Practitioners) and clearer progression routes to improve staff retention and career development.

HPMA Excellence in HRM Awards 2017
Finalist – Most effective use of diversity to strengthen governance, recruitment or promotion – for our programme to promote and improve equality, diversity and inclusion for Black, Asian and Minority Ethnic staff.
Finalist – University of Bradford Award for cross-sector working – Gulu Partnership.

Care Coordination Association Good Practice Awards
Winner – Improving Service User Care Through Effective Learning and Development Strategies – Focusing on Dysphagia Care).

Institute of Healthcare Engineering and Estate Management Awards 2016
Winner - Refurbishment Project of the Year – Endcliffe Ward.

Yorkshire and Humber NHS Leadership Awards
Winner – Patient Experience – Brendan Stone.
Runner-up – Emerging Leader – Anthony Poole.

National Association of Psychiatric Intensive Care Unit 2016
Winner - Team of the Year – Endcliffe Ward.

Best of Health Awards 2016
Winner - Mental Health Worker of the Year – Mark Thorpe

Mentor of the Year Awards, Sheffield Hallam University
Winners - Amanda Clark, Simon Valentine and Charlotte Dudley.

Sheffield Caring for Carers Awards 2016
Winner – Pamela Allen.

Trent Annual Conference 2016
Winners (First Prize) – Trainees Research - Dr Jonny Bunn and Dr Danny Pennells.

Unsung Hero Awards 2016
Winner - Mark Thorpe

Schwartz Rounds Awards
Finalist – Best Schwartz Innovation
Finalist – Best Schwartz Round Poster

Healthcare and Pharmaceutical Awards 2016
Winner – Excellence - Sheffield Autism and Neurodevelopmental Service.

Building Better Healthcare Awards 2016
Highly commended – Mental Health Services – Endcliffe Ward.

Did you know?

Our Community Enhancing Recovery Team has continued to expand and is now supporting 35 service users who have been returned to their home city from locked rehabilitation placements around the country.

Any important events since the end of the financial year affecting the Foundation Trust
At the time of finalising this Annual Report there are no important events that have happened between March 2017 and the report being issued in May 2017.

Details of any overseas operations
The Trust had no overseas operations during 2016/17 in respect of the provision of health care services.

We are the main UK partner of the Gulu Sheffield Mental Health Partnership alongside other NHS Trusts in Sheffield, Manchester and London as well as the University of Sheffield. We have been working with a service user and carer group, Mental Health Uganda Gulu Branch (MHUGB) and Gulu Regional Referral Hospital (GRRH) since 2012. All of the funding for the work of the Partnership is external to the Trust.

Did you know?

We work with the National Centre for Sport and Exercise Medicine (NCSEM) Sheffield on their vision of a whole city physical activity behaviour change making it easier for people to be physically active as part of their everyday lives. As part of our partnership our IAPT Service runs education programmes on assertiveness, understanding stress and anxiety, managing low mood and managing sleep problems – all of which promote physical activity as an integral part of good mental health.

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

Kevan Taylor
Chief Executive
26 May 2017

Section 3.0 Accountability Report
3.1 Directors Report
3.1.1 The Board of Directors
The Board of Directors provide a wide range of experience and expertise which is essential to the effective governance of the Trust. Its members continue to demonstrate the visionary leadership and scrutiny that enables the organisation to fulfil its ambition.

At the end of 2016/17, the Board of Directors comprised of six Non-Executive Directors, including the Chair, and five Executive Directors, including the Chief Executive.

3.1.2 The Non-Executive Team
- Jayne Brown OBE (Chair)
- Susan Rogers MBE (Vice-Chair)
- Mervyn Thomas (Senior Independent Director)
- Councillor Leigh Bramall
- Richard Mills
- Ann Stanley

3.1.3 The Executive Team
- Kevan Taylor (Chief Executive)
- Clive Clarke (Deputy Chief Executive)
- Dr Mike Hunter (Executive Medical Director)
- Liz Lightbown (Chief Nurse/Chief Operating Officer)
- Phillip Easthope (Executive Director of Finance)

The Associate Director of Human Resources and the Director of Corporate Governance/Board Secretary attend and support the Board but are not members.

All Board members use their expertise, experience and interest to help set the strategic direction of the Trust, as well as to monitor its management and performance.

3.1.4 Directors' statement as to disclosure to the Auditors
For each individual who is a Director at the time that this Annual Report was approved, so far as the Directors are aware, there is no relevant audit information of which the Trust's auditor is unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

3.1.5 Accounting policies statement
Accounting policies for pensions and other retirement benefits are set out in the Annual Accounts in Section 6 (note 1) of this report and details of senior employees' remuneration can be found in the Remuneration Report in Section 3.2 of this report.

3.1.6 Our Auditors
Our External Audit function is carried out by KPMG. A full competitive tender process was carried out during 2014/15 to ensure compliance with regulatory requirements. The outcome of the tender process, following a detailed review process was the recommendation to the Council of Governors for the reappointment of KPMG as the Trust's External Auditors. This decision was approved on 13 March 2015, for an initial period of three years with an option to extend for a further two years. Further details can be found in Section 3.1.10.1.

3.1.7 The role of the Board of Directors

The responsibility for exercising the powers of the Trust rests with the Board of Directors. These powers are set out in the National Health Service Act, 2006 and are subject to the restrictions set out in the Trust's terms of authorisation.

The Board is responsible for:
- Directing and supervising the organisation's affairs;
- Providing proactive leadership of the Trust within a framework of prudent and effective controls which enable risk to be assessed and managed;
- Setting the Trust's strategic aims and ensuring that the necessary financial and human resources are in place for the organisation to meet its objectives;
- Overseeing the organisation's progress towards attaining its strategic goals;
- Monitoring the operational performance of the organisation;
- Promoting the success of the organisation so as to maximise the benefits for the members as a whole and for the public.

The Board may delegate any of the powers conferred upon it to any committee of Directors or to an Executive Director. The Standing Orders of the Board of Directors provide for the manner in which the Board may arrange the delegation of its powers. The 'Scheme of Reservation and Delegation of Powers' (which forms part of the Board of Directors' Standing Orders) sets out, in detail, those powers which the Board has reserved to itself and those it has delegated and to whom.

Did you know?

We developed a new intensive rehabilitation service at Forest Close, which is resulting in shorter in-patient stays.

The Chair of the Trust presides over the meetings of the Board of Directors and the Council of Governors. The Chair is responsible for:
- Providing leadership to the Board of Directors and the Council of Governors;
- Ensuring that the Board of Directors and the Council of Governors work effectively together;
- Enabling all Board members to make a full contribution to the Board's affairs and ensuring that the Board acts as an effective team;
- Leading the Non-Executive Directors through the Board of Directors' Remuneration and Nominations Committee in setting the remuneration of the Chief Executive and (with the Chief Executive's advice) the other Executive Directors.

The Senior Independent Director is responsible for leading the Non-Executive Directors in the performance evaluation of the Trust Chair. The Trust Chair is responsible for carrying out the performance evaluation of the Non-Executive Directors. Both processes are overseen by the Council of Governors' Nominations and Remunerations Committee.

During 2016/17, the Board met every month in meetings which were open (in part) to members of the public and the press. Elements of the Board's business that were of a confidential nature and/or commercially sensitive were transacted in private, and the Board has been very open about the need to do this.

The Board of Directors takes account of the NHS Constitution in its decisions and actions, as they relate to service users, the public and staff of Sheffield Health and Social Care NHS Foundation Trust. The principles and values set out in the Constitution are reflected in the organisation's strategy, objectives, vision and values. The Board of Directors is compliant with the principles, rights and pledges set out in the Constitution as they apply to mental health service providers.

3.1.8 Attendance at Board of Directors meetings
A full list of all the Directors who have served on the Board during 2016/17, including their attendance at the Board's meetings, is set out below.

Name	Position	Term	Attendance
Professor Alan Walker CBE	Chair	3 year term ending 30 June 2016	3/3
Jayne Brown OBE	Chair	3 year term ending 30 June 2019	7/9
Susan Rogers MBE	Non-Executive Director and Vice Chair	3 year term ending 30 November 2015 with 1 year extension ending 30 November 2017	12/12
Mervyn Thomas	Non-Executive Director and Senior Independent Director	3 year term ending 30 November 2015 with 1 year extension ending 30 November 2017	11/12
Councillor Leigh Bramall	Non-Executive Director	3 year term from 04 January 2016 ending 30 November 2018	10/12
Richard Mills	Non-Executive Director	3 year term from 01 December 2015 ending 30 November 2018	11/12
Ann Stanley	Non-Executive Director	3 year term ending 31 October 2017 with 13 month extension ending 30 November 2018	10/12
Kevan Taylor	Chief Executive	N/A	10/12
Clive Clarke	Deputy Chief Executive/Executive Director of Operations	N/A	11/12
Phillip Easthope	Executive Director of Finance	N/A	12/12
Dr Mike Hunter	Executive Medical Director (from 01.10.2016)	N/A	5/6
Liz Lightbown	Executive Director of Nursing, Professions and Care Standards	N/A	11/12
Dr Rachel Warner	Executive Medical Director (Interim) (01.04.2016-30.09.2016)	N/A	6/6

3.1.9 The Management Team

The Board of Directors delegates the day-to-day management of the operational activities of the Trust to the Executive Directors' Group (EDG). The EDG comprises the Executive Directors, the Director of Human Resources and the Director of Corporate Governance/Board Secretary. The EDG meets on a weekly basis to ensure that its delegated duties are appropriately discharged.

3.1.10 Board Committees

The Board has several Committees to whom it delegates authority to carry out some of its detailed work.

The Quality Assurance Committee is responsible for providing assurance to the Board on the effectiveness of the Trust's systems and processes for safeguarding and improving the quality of the Trust's services. The Finance and Investment Committee is responsible for ensuring that the Trust's finances are managed within the allocated resources in order to deliver an effective and efficient service. The Workforce and Organisation Development Committee is responsible for providing assurance to the Board on the effectiveness of the Trust's systems and processes for supporting employees in the provision and delivery of high quality, safe service user care and ensuring that the Trust is meeting its legal and regulatory duties in relation to its employees..

The Audit Committee and the Remuneration and Nominations Committee are discussed below.

Did you know?

Our Eating Disorder Service received additional investment to support improved access for younger people.

3.1.10.1 Audit Committee

Membership of the Audit Committee is comprised of three independent Non-Executive Directors. The Committee is chaired by Ann Stanley who has recent and relevant financial experience, which fulfils the requirement for at least one Non-Executive member to have such experience.

The Audit Committee provides the Board of Directors with an independent and objective review of the system of internal control and overall assurance process associated with managing risk. It receives assurance routine and exception based reports from aligned board committees, including the Quality Assurance Committee and Finance and Investment Committee. This is to allow it to discharge its responsibility for providing assurance to the Trust Board in relation to all aspects of governance, risk management and internal control. These assurances and this oversight form the basis for the Chief Executive's Annual Governance Statement.

The Committee is responsible for commissioning and reviewing work from independent external and internal audit services, counter fraud services and other bodies as required. The Committee's work in undertaking these responsibilities is outlined in an annual report to the Board.

The committee's meetings are attended, in accordance with the agenda, by the Internal and External Auditors, local counter fraud specialist, the Trust's Executive Directors, the

Director of Corporate Governance, Head of Clinical Governance and Deputy Director of Finance. Other directors and senior managers attend when invited by the committee. The Chief Executive and the Trust Chair attend the meeting at which the annual accounts are presented.

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

Copies of the terms of reference of the Audit Committee can be obtained from the Foundation Trust office and are published on the Trust's website.

The Committee has met on five occasions during 2016/17 and discharged its responsibilities as set out in the terms of reference. Details of members' attendance at its meetings are as shown in the table below:

Name	Position	Attendance
Ann Stanley	Committee Chair and Non-Executive Director	5/5
Mervyn Thomas	Committee Member and Non-Executive Director	5/5
Cllr Leigh Bramall	Committee Member and Non-Executive Director	5/5

Significant issues considered by the Committee
The Audit Committee has an annual review cycle in place in relation to reviewing and considering the effectiveness and on-going compliance.

The Audit Committee met on 24 April 2017 in part to consider the financial statements for the period 2016/17 and as part of the annual review cycle considered the following issues in relation to financial statements, operations and compliance:
- Accounting Policies review for inclusion in the Financial Statements and Annual Report, including the appropriate treatment for Charitable Funds;
- The Going Concern status of the Trust. The committee agreed that the 2016/17 Annual Accounts be prepared on a "going concern" basis;
- Material Estimates pertinent to the financial statements, including Assets' valuation endorsing the methodology and accounting treatment;
- Due consideration of the organisation's risks and controls, particularly the Board Assurance Framework and Corporate Risk Register;
- Due consideration of the annual Internal Audit report and opinion, and, elements of risk and audit emphasis identified in the External Audit plan, such as the Trust's income; and
- Statutory Financial Statements and Annual Report and Accounts (including the Quality Report) received and approved by the Committee prior to being submitted to the Board of Directors for final approval prior to submission to NHS Improvement.

In relation to the risks and areas of emphasis in the External Audit Plan, KPMG consider the key areas of accounting process, valuation, judgement and disclosure. For each of these areas, the Committee critically reviews and assesses the judgements that have been applied, the consistency of application from year to year and the appropriateness of the relevant disclosures made, together with the compliance with applicable accounting standards. The key areas of the financial statements audit approach, considered by KPMG are in relation to valuation, the verification of land and building assets and

recognition of NHS and non-NHS income alongside the mandated risks of Fraud risk from Income recognition and management override of controls. How this was assessed by the Committee is set out below.

Detail of the verification of land and building assets is contained in the material estimates paper considered by the Committee.

In relation to the Trust's income the Committee has been able to place reliance on work undertaken by the External Auditors as part of the work that they have undertaken to enable them to develop their Audit Opinion.

In addition, the Audit Committee receives regular updates and feedback in relation to the progress against plan of Internal Audit and Counter Fraud.

Any issues arising were addressed by the Committee and any matter of governance will be incorporated into the Annual Governance Statement.

External Audit
The Trust's External Audit function is carried out by KPMG.

A full competitive tender process was carried out during 2014/15 to ensure compliance with regulatory requirements. The outcome of the tender process, following a detailed review process was the recommendation to the Council of Governors for the reappointment of KPMG as the Trust's external auditors. This arrangement is currently entering the third of three years with an option in place under the contract to extend for a further two years.

The statutory audit fee for the 2016/17 audit was £48,800 plus VAT. A separate fee is charged in relation to the External Assurance on the quality report of £9,000 plus VAT.

The effectiveness of the External Audit function is assessed annually by the members of the Audit Committee utilising the methodology provided for such an evaluation by The Audit Committee Institute. For 2016/17 this was carried out as part of the Audit Committee self-assessment questionnaire of members.

Provision of non-audit services by the External Auditor; KPMG have carried out no other services for the Trust during the financial year 2016/17.

Internal Audit
The Trust's Internal Audit function is performed by 360 Assurance. The annual audit plan is derived following an overarching risk assessment and is translated into the annual internal audit operational plan and three year strategic plan.

The Internal Audit plan was developed through discussion with members of the audit committee, the executive team and other directors and a review of the board assurance framework to identify a range of key risks, including those affecting the health sector generally. Reviews were identified across a range of areas including, financial management, information management and technology, performance, clinical quality, people management and governance and risk.

A report is taken to every Audit Committee meeting detailing progress against the plan and drawing attention to any concerns.

The Audit Committee reviewed the performance and value for money of the Internal Audit function during 2016/17.

Local Counter Fraud
Local Counter Fraud services were provided by 360 Assurance. The role of the Local Counter Fraud Service assists in creating an antifraud culture within the Trust: deterring, preventing and detecting fraud, investigating suspicions that arise, seeking to apply appropriate sanctions and redress in respect of monies obtained through fraud.

The Audit Committee receives regular progress reports from the Local Counter Fraud Service during the course of the year and also receives an annual report.

3.1.10.2 Remuneration and Nominations Committee
The Remuneration and Nominations Committee of the Board of Directors comprises all the Non-Executive Directors. The Committee is chaired by Jayne Brown OBE, the Trust Chair.

The Committee is responsible for determining the remuneration and terms and conditions of service of the Executive Directors (including the Chief Executive) in order to ensure that they are properly rewarded having regard to the Trust's circumstances.

Full details of the Remuneration and Nominations Committee are provided in Section 3.1.27 of this report.

An open appointment process was undertaken to appoint substantively to the role of Executive Medical Director of Finance in October 2016. Interim Director, Dr Mike Hunter was formally appointed.

Did you know?
We participated in the inaugural Workplace Challenge as part of Move More Month, which encouraged organisations in Sheffield to get active and win medals for their team. Trust staff downloaded the Move More App and recorded their physical activity during the month of July. .

3.1.11 Executive and Non-Executive Directors' qualifications and experience

Jayne Brown OBE, Chair
Jayne has more than 25 years' NHS experience, including 13 years as a Chief Executive. She is the director of two limited companies, the vice-chair of a community voluntary service and a carer.

Jayne has a BA (Hons) in Politics and Modern History as well as a Masters Degree in Public Health, a Diploma in Strategic Health Service Management and a Coaching Diploma. She is a graduate of the Institute of Personnel and Development. Jayne was awarded an OBE in 2004 for services to the NHS.

Tenure of office
01 July 2016 to 30 June 2019.

Professor Alan Walker CBE, Chair (until June 30, 2016)

Professor Walker CBE is a published academic in social policy and social gerontology with extensive experience in the health service having served as a non-executive director, vice-chair and chair in Community Health Sheffield NHS Trust and Sheffield Care Trust.

Among many other academic awards that he has received, Professor Walker is the recipient of both the Social Policy Association's Lifetime Achievement Award (2007) and the British Society of Gerontology's Lifetime Achievement Award (2007) and was appointed the Commander of the British Empire (CBE) by the Queen in 2014 for his services to social science.

Tenure of office

01 July 2013 to 30 June 2016.

Susan Rogers MBE, Non-Executive Director (Vice-Chair)
(Chair of the Workforce and Organisation Development Committee)

Susan Rogers MBE had extensive experience in the teaching profession, as well as industrial relations. She has served at the highest level of NASUWT (National Association of Schoolmasters Union of Women Teachers), the largest teachers' trade union in the United Kingdom, both as President and Treasurer.

From 2005 to 2009, Susan served as the Chair of AQA (Assessment and Qualifications Alliance), the largest unitary awarding body for public examinations in the United Kingdom.

Susan was awarded an MBE for her services to the Trade Union movement. She previously served as a member of the Employment Tribunals and continues to work for international solidarity for trade union development in Iraq.

Tenure of office

01 December 2012 to 30 November 2015. Extended to 30 November 2016. Further extended to 30 November 2017.

Councillor Leigh Bramall, Non-Executive Director

Leigh Bramall was Deputy Leader of Sheffield City Council, and Cabinet Member for Business and Economy, leading on economic development in England's fourth largest city.

Graduating in media research at Leicester University with a BSc (Hons) Communications and Society, Leigh spent two years working in English Language education in Japan before moving to London to work in business-to-business public relations in the property industry. He subsequently returned to his home town of Sheffield to head up European Corporate Public Relations at leading engineering simulation software provider, ANSYS Inc. At the same time he entered local politics, becoming a city councillor in 2004.

He worked in communications and research for a Member of the European Parliament up to 2011 prior to taking on a senior political role in Sheffield. He took on the lead role for economic development in May 2012.

Tenure of Office

04 January 2016 to 30 November 2018.

Richard Mills, Non-Executive Director
(Chair of the Finance and Investment Committee)
Richard is a director with more than 35 years senior management experience in the NHS, charitable, independent and public sector organisations, including Board level positions in NHS organisations.

Richard was an NHS manager and director from 1979-2012, working in the London and Thames Valley Hospital, Health Authority and Primary Care Trust levels.

He was the Chief Executive of Intensive Care National Audit and Research Centre (ICNARC) 2014- 2015 and has been a management consultant since 2012.

Tenure of office
01 December 2015 to 30 November 2018.

Ann Stanley, Non-Executive Director
(Chair of the Audit Committee)
Ann is a qualified accountant by profession and has served as a senior finance executive in the public, voluntary and commercial sectors. Her experience includes working in Brussels for the European Communities (she is a fluent French speaker) and in London for the BBC.

Ann has also worked as a senior Finance Executive in Higher Education and as a Group Accountant for HM Prison Service. She is presently a Non-Executive Director for a leading Housing Association based in Lincolnshire where she chairs the Audit and Risk Committee.

She is a fellow of the Chartered Institute of Certified Accountants (FCCA). She is also a member of the Trust's Finance and Investment Committee and a member of the Workforce and Organisation Development Committee.

Tenure of office
01 November 2014 to 30 November 2018.

Mervyn Thomas, Non-Executive Director
(Chair of the Quality Assurance Committee)
Mervyn has many years' experience in the health and social care sectors, serving as a non-executive director in other health organisations and as Chairman of the South Yorkshire Probation.

He also has extensive past experience at senior managerial levels in local government. He is a Fellow of the Royal Society of the Arts.

Tenure of office
01 December 2012 to 30 November 2015.   Extended to 30 November 2016. Further extended to 30 November 2017.

Kevan Taylor, Chief Executive
Prior to his appointment as the Trust's Chief Executive in 2008, Kevan served as the Chief Executive of the predecessor Trust. He led the Trust through its achievement of

both Care Trust and Foundation Trust status. He also served as Director of Commissioning of the Sheffield Health Authority.

Kevan has a background as a practitioner in social care and as a local authority manager. Kevan has a particular commitment to integrated care across Sheffield, previously leading the Right First Time Partnership and currently Chairing the Joint Provider Executive. As a former social care practitioner he is keen to ensure strong integration with social care and increasing partnership with primary care.

Kevan established the partnership link between mental health services in Sheffield and services in Gulu, Northern Uganda. This link is now very well established and many colleagues from Uganda have spent time in Sheffield funded by the Commonwealth Fellowship programme. Sheffield and Gulu are keen to develop this partnership further and share the mutual lessons and benefits. Kevan has coached and managed junior football and serves as a Club Welfare Officer at Hallam and Redmires Rangers Junior Football Club.

Clive Clarke, Deputy Chief Executive/Executive Director of Operations
Clive was appointed as an executive director of the Trust in 2008. A qualified nurse and social worker, Clive brings more than 29 years' experience in health and social care provision. He has served as Director of Adult Mental Health Services and as Head of Social Services in Sheffield Care Trust.

In November 2012 Clive took on the role of Deputy Chief Executive Designate with responsibility for Planning and Performance, Commercial Relations, Estates, IT (which includes information governance) and Clinical and Corporate governance, a responsibility he shared at Board Level with Professor Tim Kendall.

Since March 2013 Clive has been the Deputy Chief Executive. In 2016 Clive became the Trust's Executive Director of Operations. Clive was a participant in the 2001 King's Fund Top Managers Leadership Programme.

Phillip Easthope, Executive Director of Finance
Phillip has been the Trust's Executive Director of Finance since January 2016, following a period as the Trust's Interim Executive Director of Finance from March 2015. Prior to his appointment, he was the Trust's Deputy Director of Finance since 2012 and has more than 14 years' experience in NHS finance.

Phillip is a Fellow of the Association of Chartered Certified Accountants and has completed the NHS Strategic Financial Leadership Programme.

Dr Mike Hunter, Executive Medical Director
Mike was appointed as the Trust's Executive Medical Director with in October 2016. He has been a consultant psychiatrist for many years and was previously Clinical Director of Acute and In-patient Services and Community Services at the Trust. His responsibilities include quality improvement, patient safety, clinical governance, medical leadership, medical education and service user engagement.

Mike trained in Sheffield, first in medicine and then in psychiatry. He is a consultant psychiatrist with a background in Rehabilitation and Assertive Community Treatment. He is particularly interested in the development of services that provide intensive support

outside of the traditional hospital setting and in developing enhanced approaches for mental health within Primary Care.

Liz Lightbown Executive Director of Nursing, Professions and Care Standards
Liz Lightbown joined the Trust in April 2010, initially on secondment. She was subsequently appointed on a permanent basis in April 2011. She is a Registered Mental Health Nurse and holds a Bachelor of Science Degree in Behavioural Sciences, a Masters Degree in Health Planning and Financing, and a Diploma in Public Health. She was a participant on the King's Fund National Nursing Leadership Programme and is Prince 2 (Project Management) qualified.

Liz is the Trust's Chief Nurse, Executive Lead for Health Professions (non-medical), Director of Infection Prevention and Control (DIPC) and Executive Lead for Safeguarding Adults and Children.

Since April 2012 Liz has been the Executive Lead for the Trust's International Health Partnership with Gulu Regional Referral Hospital in Northern Uganda and was the Trust's Chief Operating Officer from 2012 to 2016. In 2016 Liz became the Trust's Executive Director of Nursing, Professions and Care Standards.

Did you know?

We took part in the Workout at Work (WOW) campaign which promotes physical and mental wellbeing in the workplace. Physiotherapists from our Community Learning Disability Teams took the opportunity to promote healthier work habits by WOWing 73 staff over four events and two sites, demonstrating office-based exercises that can improve posture and wellbeing.

Dr Rachel Warner, Executive Medical Director (Interim until 30 September 2016)
Rachel served as the Trust's interim Executive Medical Director from April 2016 to 30 September 2016. She has been a Consultant Psychiatrist since 1997 and was Clinical Director of Adult Mental Health Services between 2005 and 2013. From 2013 to 2016 she was the Trust's Deputy Medical Director.

3.1.12 Directors' interests
Members of the Board of Directors must declare any interests which might create, or be seen to create a conflict or potential conflict between their personal or private interests and those of the organisation or their duties as members of the Board of Directors. They are also required to declare any conflicts of interest that arise in the course of conducting Trust business, specifically at each meeting of the Board.

The Register of Interests is maintained by the Foundation Trust Board Secretary and is available for inspection by members of the public on request. Please submit any requests to Margaret Saunders, Director of Corporate Governance/Board Secretary, by ringing 0114 2716310 or email margaret.saunders@shsc.nhs.uk.

Did you know?

We held our first Arts Festival in September. This has been a key objective of our Arts and Health Strategy and there was a range of events, including music, poetry, visual and creative arts across our sites and also at external venues. An online art gallery was also created which can be viewed at www.shsc.nhs.uk

3.1.13 Board Evaluation

The Board of Directors assesses its own performance and effectiveness, ensuring that it complies fully with its statutory and regulatory functions and duties.

Development training for the Board of Directors during 2016/17 has included learning and monitoring progress against action plans following Care Quality Commission (CQC) inspections, developing the Trust strategy and agreeing priorities for the Trust's Annual Plan for 2017/18, establishing the strategic direction for the Trust and specifically primary care and learning disability services, Five Year Forward View, Sustainability and Transformation Programme, developing and critiquing the Board Assurance Framework and Risk Management Strategy (including consideration of the Trust's risk appetite) and the wider issues of good governance and a well-led organisation.

All Executive and Non-Executive Director appointments are made in compliance with Condition G4 of the Provider Licence 'Fit and Proper Persons' requirements and these are reviewed on an annual basis.

Appraisals for those Non-Executive Directors who had been in post through the year took place. The Council of Governors were individually invited to comment on the performance of each Non-Executive Director. This information was fed into the appraisal process led by the Trust Chair with support from the Lead Governor.

The evaluation of the performance of the Executive Directors was carried out by the Chief Executive during his monthly one-to-one meetings and annual reviews with them.

As stated in Section 3.2 of this report, the evaluation of the Chief Executive's performance was carried out by the Trust Chair in their one-to-one meetings. The performance of the Chief Executive, Executive Directors and the Associate Director of Human Resources was also discussed by the Remuneration and Nominations Committee.

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

Did you know?

We introduced a Recovery College in January 2017 at the Forest Close site with a variety of both social and educational courses for our service users.

3.1.14 Overview of the arrangements in place to govern service quality

In order to ensure quality, the Trust's governance arrangements are summarised as follows:

- *Board of Directors.* See 3.1.7;
- *Quality Assurance Committee.* The Committee provides oversight of the Trust systems in respect of quality and performance;
- *Audit Committee.* See 3.1.10.1;
- *Executive Management Team.* See 3.1.3;
- *Systems of Internal Control.* See 3.7.

The Trust triangulates service performance across a range of indicators relating to care standards, quality, workforce and finance at service, Directorate and Trustwide level. Further developments are to be made within 2017/18 to enhance our performance

management frameworks through effective business information systems. See the Quality Report (Section 4) and the Quality Assurance Framework (3.7) for more information.

The above framework ensures that the Board of Directors is able to monitor and evaluate the performance of the Trust and its services and to initiate improvement actions were required. Information about our Quality Assurance and Improvement Strategy is provided in the Quality Report in Section 4.

Did you know?

Our 44 Governors and more than 12,500 members helped set our objectives for the year.

3.1.15 Information about the care we have provided
Our Quality Report, in Section 4, provides a range of information about:
- Our performance against key healthcare targets and other information about how we have performed in respect of safety, effectiveness;
- The findings from the CQC inspection of our services and the actions we have taken;
- Feedback received from other regulators or significant interested parties and actions we have taken;
- Progress we have made in delivering targets we agreed with our main Commissioners;
- Our audit and research activities;
- Improvements in information provided to service users or members of the public;
- Information about complaints and how we have responded to complaints.

3.1.16 Using our Foundation Trust status to develop and improve our services
We are able to use our money more flexibly to support the priorities we have identified with our Governors and members. Key examples of this have been how we have built up our cash reserves in order to improve our estate and in-patient services. In last year's Report, we reported on the opening of our new psychiatric intensive care unit, Endcliffe Ward, following a major capital investment programme. The Board has also used the financial freedoms afforded to us as a Foundation Trust to invest in a range of improvements in community services, which are reported elsewhere.

Did you know?

On average more than 96% of people would recommend our services to their friends and family.

3.1.18 Performance against key health care targets
Our Quality Report, in Section 4, provides a detailed overview on how we have performed in respect of quality and targets across a range of services.

3.1.19 Arrangements for monitoring improvement in the quality of care
We identify a range of areas that we want to make improvements on. These are outlined in our Quality Report in Section 4, where we state our objectives for improving quality and the progress we have made over the last two years. This section also summarises the objectives we agreed with our Commissioners for improving quality under the Commissioning for Quality and Innovation scheme.

3.1.20 Significant changes to the services we provide

During the year the following changes were agreed that resulted in a significant change to the services we provide.

Service improvements.

From 01 November 2016, we increased our Place of Safety Provision on Maple Ward from one bed to two. The Place of Safety is a city wide service that has been provided since 2006. Its purpose is to provide a safe place for a mental health assessment to take place for people found by the police in a public place who appear to need immediate care or control and have been detained under Section 136, Mental Health Act.

The Memory Service reduced the waiting time for referrals from 29 weeks to 0-2 weeks. This means that for people in the community with worries about their memory, referral to diagnosis and treatment is between 6 – 8 weeks in total.

New services.

In partnership with Primary Care Sheffield, the local organisation representing General Practice in Sheffield, we continued to provide our GP services at Clover and from 01 April 2016 extended our provision to include the Broad Lane practice. This new partnership is a significant development for both organisations and will support both our goals of supporting the development of new integrated models of care within a primary care setting.

Services we no longer provide.

Pinecroft Recovery Ward and Rowan Ward were both closed as part of our reconfiguration programmes in rehabilitation services and acute care.

Longley Meadows Respite Unit for people with a learning disability was closed as a result of changes to how learning disability respite services are commissioned within the city. Warminster Road Respite Care Service transferred to Sheffield City Council.

Hurlfield View Resource Centre for people with dementia was closed as a result of changes to how dementia respite and day care services are commissioned within the city.

Due to changes in how learning disability supported living services are commissioned within the city, services at Wensley Street, Beighton Road and Melrose Road have transferred to new providers.

3.1.21 Working with Commissioners, partners and stakeholders

We work in partnership with the main organisations that commission our services, namely NHS Sheffield Clinical Commissioning Group and Sheffield City Council. This allows us to understand the health and social care needs of the wider population, to influence the commissioning approach taken and to develop new services for the benefit of the people of Sheffield.

We began a new partnership with South Yorkshire Housing Association who have been successful in securing funding over two years from the Big Lottery Fund and European Social Fund to deliver Building Better Opportunities, a person centred employment service for adults with mental health problems, learning disabilities and complex needs. It's based on Individual Placement Support, a 'place then train' approach that's shown to be twice as effective as traditional approaches.

We work in partnership with Sheffield Teaching Hospitals NHS Foundation Trust to provide occupational therapy and mental health services into the intermediate care services they provide.

> **Did you know?**
>
> *We are working with partners on the Sheffield City Region Test Bed – to help patients suffering from long term health conditions to keep well, be independent and avoid crisis points which often result in hospital admission, intensive rehabilitation and a high level of social care support.*

3.1.22 Total income by Commissioner

Pie chart: NHS Sheffield CCG 67%, Other NHSE / CCGs 7%, Local Authorities 10%, Foundation Trusts 5%, Housing Associations 3%, Other NHS Bodies 6%, Other WGA bodies 0%, Non-Governmental bodies 8%
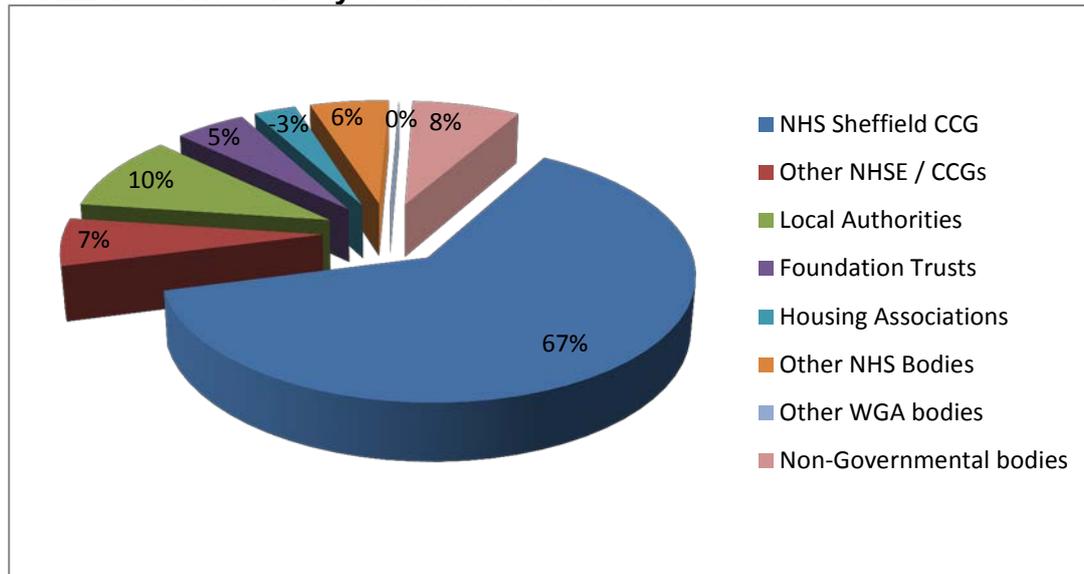
3.1.23 Consultations
We have not undertaken any formal consultations during the year about proposed service changes and no consultations are in progress at the time of writing. In line with our established Annual Plan for 2017/18 we may consult on the development of our community mental health services.

3.1.24 Our broader public and service user involvement activities
Further information about our service user and public involvement activities can be found in the Quality Report in Section 4 and in Section 3.1.27.

> **Did you know?**
>
> *Between 2015, and 2016, eight volunteers secured paid roles within the Trust. These included peer support worker posts and a training related post. In addition, five members of Trust staff also volunteer their time and nine volunteers have successfully secured employment outside of the Trust.*

3.1.25 Improving services from complaints and concerns
We are committed to ensuring that all concerns and complaints are dealt with promptly and investigated thoroughly and fairly. We value the feedback we receive from service users and carers and recognise the importance of using this feedback to develop and improve our services. Detailed information is provided in our comprehensive Annual

Complaints report (which includes the complainant survey) and is available at: www.shsc.nhs.uk/about-us/complaints and in the Quality Report in Section 4.

3.1.27 Council of Governors
The role of the Council of Governors
Governors play a vital role in governance arrangements of the Trust. They primarily carry out their role through the meetings of the Council of Governors, of which there were six in 2016/17. Please see Table 1 for a breakdown of the number of meetings attended by each Governor.

All meetings of the Council of Governors are open to members of the public, except in instances where there are confidential matters which need to be discussed. In these circumstances members of the public are excluded for the confidential item only.

While responsibility for the Trust's management and performance rests with the Board of Directors, the Council of Governors has specific decision making powers conferred upon it by the Health and Social Care Act 2012 and the Trust's Constitution. These include:

- Holding the Non-Executive Directors both individually and collectively to account for the performance of the Board of Directors;
- Holding the Board of Directors to account for the effective management and delivery of the organisation's strategic aims and objectives;
- To be consulted by Directors on future plans, including any significant changes to the delivery of the Trust's business plan, and offer comment on those plans;
- Receiving the annual accounts, any auditor report regarding the accounts, and annual report;
- Deciding whether any private patient work undertaken by the Trust would significantly interfere with the Trust's principal purpose, which is to provide goods and services for the health service in England, or performing the Trust's other functions;
- Approving any proposed increases in non-NHS income of 5% or more in any financial year. Approval means that at least half of the Governors taking part in the vote agree with the increase;
- Approving 'significant transactions';
- Approving an application by the Trust to enter into a merger, acquisition, separation or dissolution. In this case, approval means at least half the Governors taking part in the vote agree with the amendments;
- Approving amendments to the constitution.

The Council of Governors also plays an equally important role in the governance of the Trust by:
- Assisting the Board of Directors in setting the strategic direction of the Trust;
- Monitoring the activities of the Trust with a view to ensuring these are being carried out in a manner that is consistent with the Trust's Constitution and its terms of authorisation;
- Representing the interests of members and partner organisations;
- Providing feedback to members;
- Developing the Trust's membership strategy;
- Contributing to constructive debate regarding the strategic development of the NHS Foundation Trust and any other material and significant issues facing the organisation;
- Building and maintaining close relations between the Foundation Trust's constituencies and stakeholder groups to promote the effective operation of the Trust's activities.

In undertaking the above, the Council of Governors ensures that the Board of Directors is held to account by the Trust's key stakeholders.

The Engagement Policy which defines the relationship between the Board and Council sets out clearly the roles and responsibilities of each including that of the Chair, Chief Executive, Lead Governor, Senior Independent Director and Governors. Any disputes are resolved in accordance with the Trust's Constitution. The Engagement Policy provides further guidance on action to take dependent upon the nature of the dispute.

Did you know?

We have maintained our commitment to the Armed Forces Corporate Covenant to support current and former members of the Armed Forces.

Composition of the Council of Governors
The Council of Governors comprises 44 seats, 33 of which are elected from the membership.   Governors are elected for a three year term and can hold this position for a total of three terms. Eleven of the seats are for organisations with whom the Trust works or stakeholder organisations as they are called. These positions also have a three year term.

The Council of Governors is chaired by Jayne Brown OBE who is also the Chair of the Board of Directors. It is her responsibility to ensure that Governors' views are represented at the Board of Directors and that information from the Board is fed back to the Council. She fulfils this responsibility through a monthly letter to Governors as well as providing updates at each Council meeting. The Chair also gives Governors the opportunity to meet with her every year.

It is a requirement of the regulator, NHS Improvement, that all Foundation Trusts have a Lead Governor. Jules Jones, Public South East Governor, was elected as current Lead Governor and has held the position since June 2015.

Six Council of Governors meetings took place during 2016/2017. The individual attendance of each Governor is shown in Table 1, which also shows a breakdown of seats on the Council and associated Governors as at 31 March 2017, including their term of office.

Number of Seats	Name	Constituency	Date Appointed From	Date Term of Office Ends	Meetings attended over total number of meetings eligible to attend
9 Public seats (elected)	Dorothy Cook	Public South East	01.07.2008 01.07.2010 01.07.2013	30.06.2010 30.06.2013 30.06.2016	2/2
	Jules Jones	Public South East	01.07.2011 01.07.2014	30.06.2014 30.06.2017	6/6
	Brandon Ashworth	Public South West	10.12.2014	30.06.2016	0/2

Number of Seats	Name	Constituency	Date Appointed From	Date Term of Office Ends	Meetings attended over total number of meetings eligible to attend
	Rosemary De Ville	Public South West	07.08.2014	30.06.2017	3/6
	David Houlston	Public South West	01.07.2016	30.06.2019	3/4
	Sylvia Hartley	Public North West	01.07.2014	30.06.2017	6/6
	John Buston	Public North West	22.09.2014 01.07.2016	30.06.2016 30.06.2019	6/6
	Lorraine Ricketts	Public North East	01.07.2014	30.06.2017	4/6
	Barbara Bell	Public Rest of England	30.04.2015	29.04.2018	3/6
10 Service User Seats (elected)	Adam Butcher	Service User	01.07.2016	30.06.2019	4/4
	Dean Chambers	Service User	01.07.2010 11.08.2014	30.06.2013 21.09.2016	0/4
	Debjani Chatterjee MBE	Service User	11.08.2014	10.08.2017	2/6
	Tyrone Colley	Service User	01.07.2011 01.07.2014	30.06.2014 30.06.2017	5/6
	Richard Fletcher	Service User	01.07.2016	30.06.2019	2/4
	John Kay	Service User	12.02.2009 01.07.2010 01.07.2013	30.06.2010 30.06.2013 30.06.2016	2/2
	Toby Morgan	Service User	24.03.2015	23.03.2018	5/6
	Pat Molloy	Service User	01.07.2013	30.06.2016	6/6
	Terry Proudfoot	Service User	01.07.2016	30.06.2019	4/4
	Russell Shepherd	Service User	22.04.2013 01.07.2014	30.06.2014 30.06.2017	0/6
	Joan Toy	Service User	01.07.2016	30.06.2019	¾
	Nev Wheeler OBE	Service User	01.07.2008 01.07.2010 01.07.2013	30.06.2010 30.06.2013 30.06.2016	0/2
	VACANCY				
2 Young Service User/Carer seats (elected)	Michael Thomas	Young Service User/Carer	01.05.2016	30.04.2019	5/6
	VACANCY				
4 Carer seats	Ian Downing	Carer	01.07.2010 01.07.2013	30.06.2013 30.06.2016	1/2

Number of Seats	Name	Constituency	Date Appointed From	Date Term of Office Ends	Meetings attended over total number of meetings eligible to attend
(elected)	Susan Roe	Carer	01.07.2013	30.06.2016	5/6
	Gill Holt	Carer	01.07.2014	29.01.2017	2/5
	Billie Critchlow	Carer	01.07.2016	30.06.2019	4/4
	Angela Barney	Carer	24.03.2015	23.03.2018	4/6
8 Staff seats (elected)	Dan Creber	Social Work	01.07.2014	30.06.2017	3/6
	Deborah Gamsu	Psychology	01.05.2016	30.04.2019	1/6
	Elaine Hall	Allied Health Professionals	01.07.2011 01.07.2014	30.06.2014 30.06.2017	5/6
	Diane Highfield	Clinical Support Staff	11.11.2013	10.11.2016	2/4
	Dani Hydes	Central Support	08.07.2014	07.07.2017	4/6
	Mark Thorpe	Support Work Staff	07.12.2015	30.06.2017	1/6
	Paul Miller	Medical and Clinical Staff	01.07.2011 01.07.2014	30.06.2014 30.06.2017	5/6
	Vin Lewin	Nursing Staff	01.04.2013	31.03.2016	0/6
11 appointed seats	Professor Paul Ince	University of Sheffield	01.06.2015	31.05.2018	0/6
	Joan Healey	Sheffield Hallam University	29.09.2011 29.09.2014	28.09.2014 07.09.2016	2/3
	Susan Wakefield	Sheffield Hallam University	08.09.2016	07.09.2019	2/3
	Sue Highton	Staff Side (Unions)	01.07.2011 01.07.2014	30.06.2014 30.06.2017	5/6
	Teresa Barker	Age UK Sheffield	26.11.2013	25.11.2016	1/5
	Janet Sullivan	Sheffield MENCAP	01.07.2011 01.07.2014	30.06.2014 30.06.2017	3/6
	Dr Abdul Rob	Pakistan Muslim Centre	24.01.2011 24.01.2014	23.01.2014 23.01.2017	3/5
	Celia-Jackson Chambers	SACMHA	23.02.2015	22.02.2018	3/6
	Cllr Roger Davidson	Sheffield City Council	14.11.2012 14.11.2015	13.11.2015 05.05.2016	0/4
	Cllr Robert Pullin	Sheffield City Council	03.10.2016	02.10.2019	1/2
	Cllr Adam Hurst	Sheffield City Council	05.09.2014	04.09.2017	2/6
	Cllr Josie Paszek	Sheffield City Council	04.02.2015	03.02.2018	5/6

Number of Seats	Name	Constituency	Date Appointed From	Date Term of Office Ends	Meetings attended over total number of meetings eligible to attend
	Dr Leigh Sorsbie	Sheffield CCG	18.12.2014	17.12.2017	1/6

Changes to the Council of Governors

In 2016/2017 five elections took place.

Constituency	Number of candidates	Successful Candidate/s	Declaration Date	Term Start Date
Service Users	6	Adam Butcher Richard Fletcher Pat Molloy Terry Proudfoot K. Joan Toy	29 April 2016	1 July 2016
Carers	3	Billie Critchlow Sue Roe	29 April 2016	1 July 2016
Public: South West	3	Rosemary de Ville David Houlston	29 April 2016	1 July 2016
Staff: Nursing	2	Vin Lewin	29 April 2016	1 May 2016
Staff: Psychology	2	Deborah Gamsu	29 April 2016	1 May 2016

There were no uncontested seats in 2016/2017.

In addition, the following governors stood down from the Council during 2016/2017

Name	Constituency	Replaced by
Cllr Roger Davison	Sheffield City Council	Cllr Robert Pullin
Dean Chambers	Service User	-
Joan Healey	Sheffield Hallam University	Susan Wakefield
Gill Holt	Carer	-

Governor Activities in 2016/17
Holding to Account

Throughout the year Governors have undertaken a number of activities which have enabled them to fulfil their statutory duties, represent members and the public and hold the Trust to account. The foundation of their success is dependent upon their relationship with the Board. The Board takes specific steps to cement its relationship with the Council of Governors in addition to the action it takes throughout the year to ensure that it fully understands the views of Governors. Non-Executive Directors meet with the Governors prior to each Council meeting where a sharing of information takes place and where Non-Executive Directors agree to pursue any issues with the Board that Governors' raise.

Along with the Chief Executive and Non-Executive Directors, other Board members attend Council meetings when appropriate.

An additional mechanism by which Governors can scrutinise Trust performance is through the Performance Overview Group which met twice in 2016/17 following which its function was scrutinised and cemented for future years.

Did you know?

We have 168 amazing volunteers supporting us. You can find out how to join them at www.shsc.nhs.uk/about-us/get-involved/volunteering

According to the Health and Social Care Act 2012, it is the role of the Council of Governors to ensure that the Trust operates within its terms of authorisation. The Trust must furnish Governors with sufficient information to give assurance on the safety, quality and cost effectiveness of its services. This is undertaken through a variety of methods including performance reports to every Council meeting, annual reviews with the Board of Directors and through regular dialogue with Non-Executive Directors. However, in order to give a greater focus to performance against the Trust's annual business and quality objectives, the Performance Overview Group will meet to discuss the progress of the Trust in its priorities and plans. The group will discuss business objectives, finance, human resources and any other relevant performance information.

To further strengthen the Board's accountability and increase its scrutiny, Governors are invited to ask questions of the Board at each meeting. The responses to these are formalised in the minutes of Council meetings. Governors have used this mechanism to question the Trust regarding staffing levels, staff sickness and subsequent workloads, risk management, carer support, e-learning, the Mental Health Act, social media and associated stigma, gender dysphoria, women's mental health needs, domestic abuse, NICE guidelines, crisis concordant and staff safety.

The Forward Plans
The Board holds an annual development session with Governors to discuss the Trust's forward plans. This is undertaken prior to objectives being agreed in order that Governor views can help shape objectives. In addition, Governors then seek the views of their members in order to ensure the development of objectives is fully informed by members.

Other Activities
Governors received a comprehensive Trust induction in 2016/2017 which aligns with the good practice guidance from NHS Providers. In addition a bespoke training programme was provided, delivered by NHS Providers as part of the GovernWell programme, which enabled an enhanced understanding of the role and statutory duties including:
- Accountability
- Effective Questioning and Challenge
- NHS Finance
- Quality Matters
- Member and Public Engagement

Several Governors also attended the Governor Focus Conference in London providing an opportunity to network with other governors and receive an update from national bodies about key issues for Foundation Trusts.

In addition to their statutory duties, Governors were involved in a number of other areas of the Trust. Through their wider interests, the Governors were able to bring a broader spectrum of views to Council.

Governors are required to declare any material or financial interests in the Trust. For a copy of the register of interests, please contact Karen Jones by emailing Karen.jones@shsc.nhs.uk or telephoning (0114) 2716747.

The Nominations and Remuneration Committee of the Council of Governors
The appointment of the Trust Chair and other Non-Executive Directors is the responsibility of the Council of Governors. The process of selecting suitable candidates to be recommended for appointment by the Council is delegated to a Committee of the Council of Governors known as the Nominations and Remuneration Committee (NRC). In addition, the Committee has responsibility for monitoring the performance evaluation of the Trust Chair and the Non-Executive Directors.

The Trust's Chair presides over the meetings of the Committee, except in circumstances where there would be a conflict of interest in which case the Reserve Chair (who is a member of the Council and Lead Governor) presides.

It is the responsibility of the Council of Governors to both appoint and remove Non-Executive Directors. Termination requires the approval of three-quarters of the members of the whole Council of Governors pending a formal process involving a number of rigorous elements and culminating in a vote requiring the approval of three-quarters of the members of the whole Council of Governors.

The NRC oversaw a rigorous process to appoint the Chair of the Trust Board in 2016. This culminated in the successful appointment of Jayne Brown OBE to the post of Chair from 01 July 2016 for a four year period.

In July 2016 NRC reviewed the appointment arrangements for the Local Authority nominated Non-Executive in light of changes to the Trust's contractual relationship with the Local Authority.

As a result of this the Terms of Reference for NRC were also amended to ensure this change in relationship with the Local Authority was taken into account. At the same meeting NRC also discussed the issue of succession planning for Non-Executive Director posts and as a result agreed to recommend to Council the extension of terms of office for two Non-Executive Directors (Mervyn Thomas and Susan Rogers) until November 2017 to facilitate a more detailed review of tenures. NRC also considered the issues of remuneration benchmarking, Non-Executive Director Appraisals and the Fit and Proper Persons Protocol.

The NRC met again in November 2016 with a further detailed discussion regarding succession planning. It was proposed to extend the terms of office for two Non-Executive Directors (Ann Stanley and Leigh Bramall) to align with a third Non-Executive (Richard Mills). It was also recommended to Council to increase Non-Executive Director remuneration from £12,000 per annum to £12,688 per annum from 01 April 2017. In addition it was suggested to make additional payments of £2,000 per annum from 01 April 2017 for the Audit Committee Chair and the Trust Board Vice-Chair. This remuneration recognised the additional responsibility of these positions. The NRC met again in January

2017 to review the Non-Executive Director appointment process, job description and person specification and agree shortlisting and Interview dates.

Three meetings took place in 2016/17 in July, November and January. The attendance of Committee members is shown below.

Name	Position	Attendance
Jayne Brown OBE	Chair	3/3
Jules Jones	Lead Governor	3/3
Angela Barney	Committee Member	3/3
Barbara Bell	Committee Member	1/3
Elaine Hall	Committee Member	3/3
Sylvia Hartley	Committee Member	3/3
Cllr Adam Hurst	Committee Member	2/3
Michael Thomas	Committee Member	1/3
Pat Molloy	Committee Member	1/3

3.1.28 Membership
Foundation Trust status gives us the advantage of being closely influenced by the people who live in the communities that we serve. This is reflected in the diversity of the constituencies into which our membership base is divided.

Constituencies, eligibility criteria and membership numbers
There are three elected membership constituencies, each of which has a number of classes within. The table details each one and its eligibility criteria and where applicable, the number of members in the class as at 31 March 2017.

Constituency	Class	Number of Members	Criteria
Public	South West	2982	Must live in the following electoral wards: Gleadless Valley, Dore and Totley, Fulwood, Graves Park, Nether Edge, Ecclesall, Beauchief and Greenhill, Crookes
	South East	2527	Must live in the following electoral wards: Darnall, Manor Castle, Arbourthorne, Richmond, Birley, Mosborough, Beighton, Woodhouse
	North West	2249	Must live in the following electoral wards: Stocksbridge and Upper Don, Stannington, Hillsborough, Walkley, Broomhill, Central
	North East	2495	Must live in the following electoral wards: West Ecclesfield, East Ecclesfield, Southey, Firth Park, Burngreave, Shiregreen and Brightside
	Out of Sheffield	601	Any area within England outside of the Sheffield electoral wards
Service User	Service User	981	Must have received a service or services from the Trust within the last 5 years
	Carer	649	Must have cared for someone who has received a service from the Trust in the last

Constituency	Class	Number of Members	Criteria
			5 years
	Young Service User or Carer	102	A service user and carer, but must be 35 years old or younger
Staff	Allied Health Professionals	150	Must have either worked for the Trust continuously for at least 12 months or have a contract of no fixed term
	Central Support Staff	318	
	Clinical Support Staff	567	
	Medical and Clinical	205	
	Nursing	551	
	Psychology	269	
	Social Work	49	
	Support Work	976	
Appointed	Voluntary, Community and Faith Sector Organisations	N/A	Not applicable
	University of Sheffield		
	Sheffield Hallam University		
	Staffside (unions)		
	Local Councillors		
	NHS Sheffield		

At the end of March 2017 there were 12,588 members (excluding staff).

Did you know?

We expanded our multi-faith team of chaplains, who provide support for service users, their families and carers as well as staff.

Developing a representative membership
As a successful Foundation Trust, it is our aim to maintain and further develop a membership that involves and reflects a wide representation of our local communities. We have set out how we intend to do this through our membership strategy. As well as defining the membership, this strategy outlines how we plan to:
- Benefit from being a membership-based organisation;
- Communicate with and support the development of its membership;
- Make sure that the membership is reflective of Sheffield's diversity;
- Provide opportunities for our members to become involved with the Trust in ways that suit their needs and wishes.

Some of the actions identified to achieve these four points are:

- Publicising widely the opportunities and benefits of membership;
- Recruiting members from across the whole community;
- Targeting hard to reach groups specifically;
- Developing and supporting effective channels of communication and engagement between Governors and members;
- Ensuring membership is a worthwhile experience for individuals by engaging individuals in a manner of their choice.

Membership Recruitment and Engagement

In line with the Trust's membership strategy to both recruit and engage members from across Sheffield, Governors and staff participated in a number of community events, specifically targeting ones in areas of the city with a high ethnicity and also targeting specific groups such as people with a learning disability.

The Trust held a very successful Annual Members' Meeting in 2016 which more than 250 staff and members attended. The event provided an opportunity for members to learn more about the Trust and its services. Governors presented a report on their activities to members.

The Trust continued to respond to and engage with members' issues by holding two membership events in partnership with Sheffield Teaching Hospitals NHS Foundation Trust: Dementia and Nutrition and Talking about Research. The events were well attended and gave Governors an opportunity to engage with current members. A programme of events will continue throughout 2017/2018, again to reflect the issues important to members.

Did you know?

Working together with the Woodland View Relatives Group we have made significant improvements to the service user experience at the nursing home, with dining nooks and serveries within each cottage to enhance the dining experience.

The Trust maintains a public profile, with the primary focus of communication via *Involve*, membership magazine. Governors and staff sit on the editorial group and ensure the focus remains on issues important to members and provision of information regarding all aspects of the Trust's services.

The Trust website provides members with updated information and with ease of access in communicating with both the Trust and governors. There is also a Trust presence on Facebook and Twitter and makes use of these social media platforms to promote, inform and engage members and the public.

If you want to contact your Governor, you can telephone (0114) 2718768, email governors@shsc.nhs.uk or write to:

The Council of Governors
FREEPOST
SHSC NHS FOUNDATION TRUST

3.1.29 Political or charitable donations we have made

The Trust has not made any political or charitable donations during the year 2016/17 as it is not lawful for an NHS Foundation Trust to make such donations.

3.1.30 Cost allocation and charging guidance

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

3.1.31 Income disclosures

In 2016/17, we met the requirement that income from the provision of goods and services for the purposes of the Health Service in England must be greater than its income from the provision of goods and services for any other purposes as defined under section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012).

All net income from the provision of goods and services for other purposes has been reinvested back into frontline healthcare for the benefit of service users.

3.1.32 The Better Payments Practice Code

The Better Payments Practice Code target is to pay all non-NHS trade creditors within 30 days of receipt of goods or a valid invoice (whichever is later) unless other payment terms have been agreed. The disclosure is completed on the basis of total bills paid. The calculations are carried out excluding invoices in dispute.

The Trust pays very few NHS bodies, making percentage compliance for NHS bodies challenging. However, we achieved 100% compliance throughout 2016/17 by both number and value.

Performance for non-NHS bodies is consistently over 99% by both number and value and is improving.

The Trust is also signed up to the Prompt Payment Code administered by the Chartered Institute of Credit Management of behalf of the Department for Business Innovation and Skills. Code signatories undertake to pay suppliers on time within the terms agreed, give clear guidance to suppliers and encourage good practice through their supply chains. Signatories also undertake to pay suppliers within a maximum of 60 days and to work towards adopting 30 days as the norm.

Did you know?

Our Care Quality Commission provider rating is 'Good'.
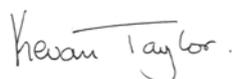
Chief Executive
26 May 2017

3.2 Remuneration Report
Executive Directors' remuneration
The Remuneration and Nominations Committee of the Board of Directors comprises the Non- Executive Directors. The Committee is chaired by Jayne Brown OBE, the Trust Chair.

The Committee is responsible for determining the remuneration and terms and conditions of service of the Executive Directors (including the Chief Executive) in order to ensure that they are properly rewarded having regard to the Trust's circumstances.

The Chief Executive attends the Committee's meetings in an advisory capacity. The Director of Human Resources and the Director of Organisation Development/Board Secretary attend the Committee's meetings to provide advice and professional support to its members.

The Committee met on three occasions during 2016/17 and Committee members' attendance is as shown in the table below:

Name	Position	Attendance
Professor Alan Walker CBE	Committee Chair (until 30 June 2016)	1/1
Jayne Brown OBE	Committee Chair (from 01 July 2016)	2/2
Councillor Leigh Bramall	Committee Member and Non-Executive Director	1/3
Richard Mills	Committee Member and Non-Executive Director	3/3
Susan Rogers MBE	Committee Member and Non-Executive Director	3/3
Ann Stanley	Committee Member and Non-Executive Director	3/3
Mervyn Thomas	Committee Member and Non-Executive Director	3/3

The Committee meets at least once a year to decide on the appropriate remuneration and terms and conditions of service of the Executive Directors. These terms and conditions are determined by the Committee and include all aspects of remuneration, provisions for other benefits (such as pensions and cars) and arrangements for termination of employment or other contractual terms.

The Committee is responsible for monitoring the performance of the Chief Executive, based on an annual review provided by the Trust Chair, and of all the other Executive Directors based on an annual report provided by the Chief Executive.

The Executive Directors are on permanent contracts, and six months' notice is required by either party to terminate the contract. The only contractual liability on the Trust's termination of an Executive's contract is six months' notice. Any other liability, such as unfair dismissal compensation, would depend on the circumstances of the case. The table overleaf provides details of Executive Directors' contracts:

Executive Director	Date of Contract	Unexpired terms (Years to age 65)
Kevan Taylor	February 2003	9
Clive Clarke	April 2003	12
Liz Lightbown	April 2011	15
Dr Mike Hunter	October 2016	20
Phillip Easthope	January 2016	27

The Chief Executive undertakes annual appraisals with all Executive Directors, and progress on objectives is assessed at monthly one-to-one meetings with each Executive Director.

The Chief Executive reports the outcomes of these appraisals to the Board's Remuneration and Nominations Committee. The Chief Executive's own performance is monitored by the Chair at regular one-to-one meetings and he is subject to annual appraisal by the Chair who reports the outcome of his appraisal to the Board's Remuneration and Nominations Committee.

The Board's Remuneration and Nominations Committee reviews the remuneration of Executive Directors annually, taking into account information on remuneration rates for comparable jobs in the National Health Service.

The Executive Directors' remuneration levels are referenced to the Chief Executive's level of remuneration and any increases determined for the Chief Executive. Performance-related pay is not applied under current arrangements.

It was determined that the same increase be awarded to the Executive Team as applied to staff on the relevant Agenda for Change pay bands. As staff at the higher bandings did not receive any increases under Agenda for Change, then no increase applied to the Executives.

The salary of the Chief Executive is benchmarked annually for review alongside other similar roles across the NHS and specifically both regionally, and against other Mental Health Trusts. The current remuneration level is below average when this comparison is made.

The salary component for Executives supports the short and long term strategic objectives of the Trust as it assists the Trust in attracting and retaining senior managers who have the necessary skills and experience to lead the Trust and take forward the identified objectives. The salary is paid through our normal payroll processes. There is no specified maximum on the level of remuneration which could be paid but account would be taken of available benchmarking information and the relationship with the salaries available to other staff. There is provision, on termination of the contract, for the non-payment of salary in lieu of outstanding leave.

Non-Executive Directors' remuneration
There is a Nominations and Remuneration Committee of the Council of Governors whose responsibility, among others, is to make recommendations to the Council of Governors on the remuneration, allowances and other terms and conditions of office of the Chair and all Non-Executive Directors. It is for the Council of Governors, in general meeting, to

determine the remuneration, allowances and other terms and conditions of office of the Chair and the Non-Executive Directors, taking into account the recommendations made to it by the Nominations and Remuneration Committee.

It is the responsibility of the Council of Governors' Nominations and Remuneration Committee to monitor the performance of the Trust Chair and Non-Executive Directors. The Committee may, in appropriate cases, or, if specifically requested by the Council of Governors to do so, report its findings to the Council. Details of the activities of the Nominations and Remuneration Committee for the past year are reported on in Section 3.1.27 of this report.

Details of the remuneration paid to all of the Directors during 2016/17 are shown in Table A on the following page. The Non-Executive Directors' duration of office is reported in Section 3.1.8 of this report.

Directors' remuneration and pension entitlements
All Executive Directors are contributing members of the NHS-defined benefit pension scheme and are eligible for a pension of up to half of final salary on retirement. The scheme provides a lump sum of three times the final salary on retirement. Executive Directors in the scheme receive the same benefits as other staff members. The 'Pension Benefits' Table C provides details of the current pension and lump sum position for each Director.

Table A: Salaries and Allowances

Name and title	Period 1.4.16 to 31.3.17							Period 1.4.15 to 31.3.16						
	Salary and Fees (bands of £5,000)	Other Remuneration (bands of £5,000)	Taxable Benefits (rounded to the nearest £00)	Annual Performance Related Bonuses (bands of £5,000)	Long-Term Performance Related Bonuses (bands of £5,000)	Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)	Salary and Fees (bands of £5,000)	Other Remuneration (bands of £5,000)	Taxable Benefits (rounded to the nearest £00)	Annual Performance Related Bonuses (bands of £5,000)	Long-Term Performance Related Bonuses (bands of £5,000)	Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)
Prof A. Walker CBE, Chair	5-10						5-10	25-30						25-30
J. Brown OBE Chair (wef 01 July 2016)	25-30						25-30	-						-
Councillor. M. Rooney, Non-Executive Director	-						-	0 – 5						0 – 5
A. Stanley Non-Executive Director	10-15						10-15	10 - 15						10 – 15
A. Clayton, Non-Executive Director	-						-	5 - 10						5 – 10
M. Thomas, Non-Executive Director	10-15						10-15	10-15						10-15
S. Rogers MBE, Non-Executive Director	10-15						10-15	10-15						10-15
Councillor. L. Bramall Non-Executive Director (wef 01 February 2016)	10-15						10-15	0 - 5						0 - 5
R. Mills Non-Executive Director (wef 01 December 2015)	10-15						10-15	0 - 5						0 - 5

Name and title	Period 1.4.16 to 31.3.17							Period 1.4.15 to 31.3.16						
	Salary and Fees (bands of £5,000)	Other Remuneration (bands of £5,000)	Taxable Benefits (rounded to the nearest £00)	Annual Performance Related Bonuses (bands of £5,000)	Long-Term Performance Related Bonuses (bands of £5,000)	Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)	Salary and Fees (bands of £5,000)	Other Remuneration (bands of £5,000)	Taxable Benefits (rounded to the nearest £00)	Annual Performance Related Bonuses (bands of £5,000)	Long-Term Performance Related Bonuses (bands of £5,000)	Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)
K. Taylor, Chief Executive	145-150	0				32.5-35	175-180	140 - 145	0				10 – 12.5	155 - 160
C. Clarke, Deputy Chief Executive and Social Care Lead	120-125	0				22.5-25	145-150	120 - 125	0				10 – 12.5	130 - 135
P. Easthope, Executive Director of Finance	110-115	0				107.5-110	220-225	95 - 100	0				95 – 97.5	195 - 200
Dr M. Hunter, Executive Medical Director (wef 01 October 2016	80-85					92.5-95	175-180	-	-	-			-	-
Prof. T. Kendall, Executive Medical Director	-	-				-	-	100 - 105	80 - 85	8800			12.5 - 15	200 - 205
E. Lightbown, Chief Nurse/Chief Operating Officer	105-110	0				55-57.5	160-165	105 - 110	0				40 – 42.5	145 - 150
Dr R. Warner, Executive Medical Director (wef 01 April 2016 to 30 September 2016)	85-90	0				32.5-35	115-120	-	-	-			-	-

Paragraph 4-16 inclusive of Part 3 of Schedule 8 to the Regulations requires the disclosure of the remuneration figures detailed above and includes a single remuneration for each senior manager who served during the year in tabular form as shown above.

Professor T. Kendall was succeeded as Medical Director by Dr R. Warner for an interim period until 30 September 2016. With effect from 01 October 2016 Dr M. Hunter took up the post.

Cllr. M. Rooney finished in post on 30 July 2015 and A. Clayton finished in post on 30 November 2015 where they were succeeded as Non-Executive Directors by Cllr. L. Bramall and R. Mills respectively.

J. Brown took over as Chair, succeeding Prof. A. Walker on 01 July 2016.

Table B: Senior Managers' Remuneration

Component	Description
Salary and Fees	The salary component for Executives supports the short and long term strategic objectives of the Trust as it assists the Trust in attracting and retaining senior managers who have the necessary skills and experience to lead the Trust and take forward the identified objectives. The salary is paid through our normal payroll processes. There is no specified maximum on the level of remuneration which could be paid but account would be taken of available benchmarking information and the relationship with the salaries available to other staff. There is provision, on termination of the contract, for the non-payment of salary in lieu of outstanding leave.
Other Remuneration	Only one Executive receives payment under this component. This relates to payment for work undertaken for the Royal College of Psychiatrists. The other remuneration component supports the short and long term strategic objectives of the Trust as it assists the Trust in attracting and retaining senior managers who have the necessary skills and experience to lead the Trust and take forward the identified objectives while also undertaking work of national importance related to one of the key functions of the Trust (mental health treatment and care).
Taxable Benefits	Only one Executive receives payment under this component. This relates to the Trust's lease car scheme and all staff are eligible to apply for this. The taxable benefits component supports the short and long term strategic objectives of the Trust as it assists the Trust to attract and retain its workforce. The level of remuneration which could be paid is dependent on the terms and conditions of the lease car scheme.
Annual Performance Related Bonuses	Performance-related pay is not applied under current arrangements.
Long-Term Performance Related Bonuses	Performance-related pay is not applied under current arrangements.
Pension Related Benefits	There is nothing in addition to the normal NHS pension employer contributions for all staff.

Notes: There are no new components of the remuneration package. There have been no changes made to existing components of the remuneration package. The Executive Directors' remuneration levels are referenced to the Chief Executive's level of remuneration and any increases determined by the Remunerations and Nominations Committee. The remuneration levels for employees are set by Agenda for Change or other relevant agreed contractual arrangements.

The Hutton Disclosure

	1.4.16 to 31.3.17	1.4.15 to 31.3.16
Band of Highest Paid Director's Total (remuneration £000)	145-150	200 - 205
Median Total Remuneration	19,726	19,461
Ratio of Median Remuneration to Midpoint of the Highest Paid Director's Band	7.5	10.4

In accordance with the Hutton Review of Fair Pay, reporting bodies are required to disclose the relationship between the remuneration of the highest paid Director in their organisation and the median remuneration of the organisation's workforce.

The median remuneration is based on full time equivalent directly employed staff as at 31 March, excluding the highest paid Director (as per the guidance).

In this calculation total remuneration includes salary, non-consolidated performance related pay and benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The median is the middle number in a sorted list of numbers. The ratio is the number of times the median can be divided into the highest paid Director's total remuneration.

The movement in 2016/17 is due to a change in the Directors of the Trust and not due to a fall in one individual's pay.

Directors and Governors Expenses

	2016/17 £00	2015/16 £00
Expenses shown in £00s		
Aggregate sum of expenses paid to Governors	**0**	6
Aggregate sum of expenses paid to Directors	**17**	33
Total	**17**	39

	Number in office		**Number receiving expenses**	
	2016/17	2015/16	**2016/17**	2015/16
Governors	**39**	38	**0**	5
Directors (excluding the Chair and Non-Executive Directors)	**6**	5	**5**	5

Table C: Pension Benefits

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

Name and title	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at 31 March 2017 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2017 (bands of £5,000) £000	Cash equivalent transfer value at 31 March 2017 £000	Cash equivalent transfer value at 31 March 2016 £000	Real increase in cash equivalent transfer value £000	Employer's contribution to stakeholder pension £000
K. Taylor, Chief Executive	2.5-5	5-7.5	55-60	170-175	1,216	1,082	84	0
C. Clarke, Deputy Chief Executive and Social Care Lead	0-2.5	5-7.5	25-30	80-85	515	436	48	0
P. Easthope, Executive Director of Finance	5-7.5	5-7.5	20-25	50-55	249	130	60	0
Dr M. Hunter, Executive Medical Director (wef 01 October 2016)	2.5-5	5-7.5	35-40	95-100	533	470	63	0
E. Lightbown, Chief Nurse/Chief Operating Officer	2.5-5	7.5-10	40-45	120-125	706	577	73	0
Dr R. Warner, Executive Medical Director (wef 01 April 2016 to 30 September 2016)	0-2.5	22.5-25	60-65	205-210	0	1,274	(1,274)	0

Notes

The majority of employees are covered by the provisions of the NHS Pensions Scheme. The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practitioners and other bodies under the direction of the Secretary of State, in England and Wales. As a consequence it is not possible for the NHS Trust to identify its share of the underlying scheme assets and liabilities. A small number of staff are, however, members of South Yorkshire Pensions scheme. Further details can be found in the Annual Accounts at note 1.2.

Service contract obligations
There is a requirement to notify of any outside business interests and/or contracts/proposed contracts where there is a financial interest. Prior written consent is required for engaging in any other business, profession, trade or occupation.

The intellectual property created during the course of employment belongs to the Trust and there is provision for payment to Trust for any remuneration which arises from such intellectual property.

Policy on payment for loss of office
There is a requirement on each side to provide six months' written notice. The principles for approaching payment for loss of office will be those arising from the legal obligations of the Trust under normal contractual or statutory provisions.

The Trust reserves the right to terminate the contract forthwith for offences of gross misconduct and other similar situations such as serious breach of the contract, becoming bankrupt, being convicted of a criminal offence, becoming permanently incapacitated and/or becoming disqualified from holding office as an Executive Director.

Statement of consideration of employment conditions elsewhere in the Trust
The Committee took explicit account of the Agenda for Change pay award which was effective from 01 April 2016 and, this year, applied the same increase to Executive Directors. There was no consultation with staff regarding this increase.
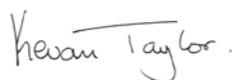
Chief Executive
26 May 2017

3.3 Staff Report
3.3.1 Staff numbers and staff costs
Overall, the workforce has remained stable. There has been a decrease in substantive employment and a decrease in agency staff.

Average number of people employed (whole time equivalent basis)	2016/17 Number	2015/16 Number
Medical and dental	**153**	143
Administration and estates	**465**	526
Healthcare assistants and other support staff	**259**	147
Nursing, midwifery and health visiting staff	**1,122**	1,228
Scientific, therapeutic and technical staff	**406**	373
Social care staff	**88**	95
Other	**6**	6
Agency staff	**99**	171
	2,598	2,689

As at 31 March 2017 the gender ratio of staff is 74% female, 26% male. Of the Trust's Directors four are female and seven are male. Of the Trust's other senior managers, 29 are female and 23 are male.

	Permanent £000	Other £000	2016/17 Total £000	2015/16 Total £000
Salaries and wages	76,008	946	**76,954**	78,311
Social security costs	7,292	-	**7,292**	5,937
Employers' contributions to NHS pensions	9,015	-	**9,015**	9,176
Pension cost – other	439	-	**439**	446
Other post employment benefits	-	-	**-**	-
Other employment benefits	-	-	**-**	-
Termination benefits	1,666		**1,666**	806
Temporary staff		3,667	**3,667**	6,746
Total gross staff costs	94,420	4,613	**99,033**	101,422
Recoveries in respect of seconded staff	-	-	**-**	-
Total staff costs	**94,420**	**4,631**	**99,033**	101,422
Of which Costs capitalised as part of assets	254	**-**	**254**	96

3.3.2 Sickness absence
The level of sickness absence continues to be a focus for action as it remains generally higher than our organisational target of 5.1%. Actions have included a continuous plan for raising awareness of the importance of the issue (including the conferences mentioned above), and the development and implementation of an action plan to address the issue. This has included the appointment of an Attendance and Sickness Absence Case Manager, to review in detail, those individuals whose level of sickness absence has given cause for concern, and to provide managers with dedicated support and guidance

in managing situations where triggers within the Promoting Attendance and Sickness Absence Policy have been hit. We have also simplified the existing absence management policy and changed the language and stages within it. To support the new Policy, the management training has been refreshed, and additional training sessions supporting awareness and health and wellbeing have taken place. We are working closely with Staff Side colleagues in a partnership approach to address this difficult issue.

Did you know?

Several of our sites have regular staff running clubs and we also offer a weekly staff boot camp fitness session!

In managing sickness cases we recognise the importance of good quality medical advice and information to support staff both during their absence and to facilitate a supported return to work at the earliest opportunity. We liaise regularly with our Occupational Health provider with a view to establishing what improvements can be made to the service. Furthermore, in addition to the confidential staff counselling service we offer, we are also currently developing 'fast track' triage processes to support staff with physical (musculo-skeletal) and mental health issues. A further improvement to the support provided to staff has been the creation of a dedication section on the staff intranet which includes advice and support on a range of topics including personal support, work, available support groups within the Trust, health and wellbeing, and personal and professional development as well as information on staff benefits.

More detailed information on sickness absence is given below:

Staff Sickness Absence	2016/17*	2015/16
Total Days Lost	**30,902**	32,348
Total Staff Years	**2,348**	2,375.72
Average Working Days Lost	**13.2**	13.4

* These are calendar year figures for 2016.

3.3.3 Supporting disabled employees

This year we moved onto the new Disability Confident Employer Scheme. This is a new government scheme that has replaced the Two Ticks scheme. The Trust is currently on level two of the scheme which means it is a 'Disability Confident Employer'. The Trust has made a commitment to work towards level three of the scheme – 'Disability Confident Leader' within the next two years.

This year we have also been considering a new NHS workforce standard focused on disability that is being introduced by NHS England, the Workforce Disability Equality Standard. This is due to be introduced in 2018.

In 2016 we agreed to establish a new group to take forward work on these two areas. We will report on progress in our Annual Equality and Human Rights Report.

We continued to improve reporting of staff disability in the organisation. On 31 March 2016 6% of staff said that they had a disability and the percentage of 'not stated' reduced from 20% to 17%.

3.3.4 Staff engagement and involvement

The Trust has a range of methods for keeping staff informed on matters of concern to them as employees. These include
- A monthly letter from the Chief Executive;
- Regular team briefings.
- A weekly e-bulletin and regular updates on our staff intranet;
- Engagement with various groups of staff through regular forums on specific areas of concern.

Supervision is seen as a key mechanism for ensuring staff concerns are addressed systematically and we have taken forward its work on improving supervision. Building on the new Supervision Policy introduced in 2015/16 and the establishment of a specific training module which is initially targeted at nurses. This builds on the previous work which has been undertaken to improve the take-up of Personal Development Reviews (PDR) by embedding a PDR three month focal point 'window' (April to June) for all employees.

Support mechanisms for staff are already well established within the Trust which encourage staff to get involved with the Trust's performance and development. These include:
- Visits to teams from Non-Executive Directors and Executive Directors of the Board, including the Chief Executive;
- Microsystems coaching (the quality improvement technique we use to drive service improvement);
- Crucial Conversations training (where leaders learn to tackle the difficult conversations which need to take place at work);
- Staff surveys on specific topics such as sickness and smoking;
- Our Coaching Service (we have more than 20 staff trained as coaches who are available for one-to-one coaching).;
- Schwartz Rounds (monthly forum where all staff are invited to come and think about the emotional and social dilemmas that arise in our work);
- Mindfulness and Mindful Leadership training;
- Staff Conferences including Compassionate Care and Promoting Attendance and Managing Sickness Absence.

This year we have introduced an additional initiative to strengthen staff engagement and support by developing and piloting a mentoring course.

As a Foundation Trust, all staff are automatically members of the Trust (unless they specifically choose to opt out). We have eight dedicated Staff Governors who ensure that the voices and concerns of staff are represented at the Council of Governors.

Did you know?

Staff at Buckwood View Nursing Home took part in the React to Red pilot scheme - committed to educating as many people as possible about the dangers of pressure ulcers and how to avoid them - and won an award for their work.

3.3.5 Staff consultation

We engage with Staff Side on a continuing basis. This includes the established mechanisms such as the Joint Consultative Forum, Joint Policy Group and, for medical staff, the Joint Local Negotiating Committee. In addition, there are specific arrangements put in place in relation to particular issues or topics.

The continuing and extensive organisational change agenda has also required close working between the Trust and Staff Side in order to assist staff as much as possible. This has included a number of service re-organisations, service closures and the transfer of staff both from and to the Trust. It has also included one further round of our Mutually Agreed Redundancy Scheme (MARS) which enables posts to be available, where practicable, for staff on redeployment. We operate the scheme in conjunction with Staff Side representatives through our MARS Vacancy Panel. Thiry-seven employees have had their applications approved under this scheme in early 2017.

Did you know?

We are proud to pay the real Living Wage to our staff – this is part of our commitment to fairness.

Work-life balance issues have been recognised by a further roll-out of the additional annual leave scheme and the continued operation of our Flexible Working Policy. The Trust is also continuing to monitor the hours of staff to ensure compliance with the working time legislation and has extended its flexible staffing resource to cover both cook/housekeepers and administrative staff to help relieve any short term staff shortages in these areas.

Policies have been reviewed or developed reflecting Trust and staff concerns. These have included a review of key employment policies in 2016/17 for example Organisational Change, Redundancy, Retirement, Pay protection, Disciplinary, Bullying and Harassment, Stress Management at work, Recruitment and Selection and Redeployment. This list is not exhaustive and an ongoing programme of policy review is underway.

We have maintained a range of initiatives aimed at increasing staff engagement by supporting staff to feel connected to the organisation, to be committed to and absorbed in their work, to experience positive relationships and to be physically and emotionally healthy. These include relatively informal activities such as senior managers undertaking 'walk rounds' and working on shifts, to more structured interventions (both specific to teams and across teams) to surveys of staff (within the Trust and nationally) .

3.3.6 Education, training and development

The Education, Training, and Development service works closely with our Service Directorates to ensure the delivery and commissioning of training provides the knowledge and skills our staff need to develop their learning and support their roles. Training is delivered through different approaches, including classroom learning, e-learning, work-based learning and simulation.

We have seen significant increases in all our essential core mandatory training subjects during 2016/17 and are working closely with the Directorate and Individual Teams to

sustain this work and ensure the planning of training and attendance is embedded in team processes.

We continue to review and develop the use of technology and simulation in training, and look at ways of simulating clinical and work situations and environments within our training sessions to enable staff to embed skills into their practice. This year our physical health training has focused on staff recognising the deteriorating patient and staff promoting health and wellbeing in all our areas.

We have progressed in the way we record training on our Electronic Staff Records system (ESR), records are more standardised across subjects.

We remain committed to apprenticeships as a route into employment and have seen a 60% increase in numbers this year. We have developed a higher level apprenticeship to train Assistant Practitioners – this is an opportunity to develop new roles and clearer progression routes and improve retention of staff who we have invested in. Having already formed robust partnerships with training providers and other NHS Trusts, we are looking for future opportunities to strengthen existing partnerships as well as develop new ways of working in preparation for the new apprenticeship levy which comes into effect from April 2017.

Did you know?

We host various simulation sessions to assist junior doctors including a RAMPPS course (Recognising and Managing Physical Problems in a Psychiatric Setting) which aims to increase knowledge of managing physical health problems and to improve the confidence of attendees in the management plans for this.

Over the last 12 months, the Recovery Education Unit (REU) has been busy developing its course portfolio for both its postgraduate programme and non-accredited courses as part of the specialist skill development for staff in the Yorkshire and Humber region. Members of the team are active supporters of service user engagement in particular around sharing learning and experience in peer support / harnessing lived expertise. Our national profile as a specialist mental health training provider continues to grow with a workshop session at the International Hearing Voices Network Conference and a recent article in the Mental Health and Social Inclusion Journal with its Editor, Rachel Perkins commenting that '*Shaun's story is immensely inspiring and so beautifully written. It's important reading for both staff and others facing similar challenges'*.

We currently have 280 qualified mentors/practice educators working across 46 placement teams. This gives capacity to support up to 78 pre-registration mental health nurse, 36 occupational therapy, four physiotherapy and three speech and language therapy students at any given time. We are able to support students at all stages of their training through a range of placement provision which includes in-patient and community teams, respite and specialist services.

In collaboration with Sheffield Hallam University (SHU) and other local Trusts we have become a case study site for the Health Education England Reducing Pre-registration Attrition and Improving Retention (RePair) project.

We have nine support staff seconded to the pre-registration nursing degree programmes with SHU and the Open University.

We have a well-established relationship with Sheffield University Medical School, leading on teaching in psychiatry to undergraduate medical students across the five year course (240 students per year) and as the lead organisation for clinical placements in the region. This year we are also providing placements for approximately 50 Physician Associates in conjunction with Sheffield University, Sheffield Hallam University and the University of Birmingham. Additionally, we run several recruitment initiatives to encourage students and doctors to consider psychiatry as a career and offer selected components and electives to interested students from Sheffield and beyond.

Did you know?

A Quality Tariff Visit undertaken by the Medical School in 2016 found that the Trust provided excellent placements and showed a clear commitment to teaching.

We are a lead employer for psychiatry trainees in South Yorkshire, employing approximately 130 doctors across the region.

3.3.7 Health and Safety
We place a strong focus on health, safety and well-being. We aim to maintain an environment and practices which are safe and supportive for service users, staff and visitors.

The Trust has a well-established Health and Safety Committee comprising management and Staff Side representatives, which is chaired by an Executive Director. The role of the Committee is to monitor and maintain effective health and safety management systems that are proportionate to level of risk to be managed and ensure compliance with legislation, regulations and codes of practice.

For a second year in succession the Trust is seeking accreditation with the Contractors Health and Safety Assessment Scheme (CHAS). We are one of only a handful of NHS Trusts in the United Kingdom to have achieved this accreditation.

Health and safety inspections are regularly undertaken at all sites by local staff. Inspections are also completed by the Trust's Health and Safety Advisor to measure health and safety performance at each service/department and for the Trust as a whole. In-patient areas are audited every 12 months and community based services and nonclinical services, every 18 months, in line with a risk-based approach.

3.3.8 Occupational health
We provide an Occupational Health Service via a contract with Sheffield Teaching Hospitals NHS Foundation Trust. Our Occupational Health provider has representation on the Joint Sickness Working Party and presented at our recent Conference on Promoting Attendance at Work.

We also provide a free, confidential staff counselling and consultation service (Workplace Wellbeing) which is available to both individuals and groups of staff.

3.3.10 Countering Fraud and Corruption
We follow best practice as recommended by the NHS Counter Fraud and Security Management Service. Staff are trained in fraud awareness and we actively promote the mechanisms for staff to report any concerns about potential fraud or corruption. All

concerns are investigated by the local Counter Fraud and Security Management Specialist and the outcome of all investigations are reported to the Audit Committee. Local Counter Fraud services are provided by 360 Assurance.

3.3.11 Staff Survey

The national staff survey is carried out annually on behalf of all Trusts. At a local level the survey itself is conducted independently by an approved sub-contractor and the results are then collated and benchmarked at national level. A summary of the 32 key findings for the Trust has been presented and discussed at Board and a synopsis of the main conclusions given.

Response Rate	2016/17		2015/16		Trust improvement/ deterioration
	Trust	National Average	Trust	National Average	
	40%	44%	46%	41%	Deterioration

Top 5 ranking scores	2016/17		2015/16		Trust improvement/ deterioration
	Trust	National Average	Trust	National Average	
% of staff working extra hours	64%	72%	63%	74%	No Change
% of staff appraised in the last 12 months	95%	89%	93%	89%	No Change
% of staff believing that the organisation provides equal opportunities for career progression or promotion	90%	87%	86%	84%	No Change
% of staff/colleagues reporting most recent experience of harassment, bullying or abuse	65%	60%	67%	49%	No Change
% of staff/colleagues reporting most recent experience of violence	95%	93%	92%	84%	No Change

Bottom 5 ranking scores	2016/17		2015/16		Trust improvement/ deterioration
	Trust	National Average	Trust	National Average	
Quality of appraisals	3.00	3.15	3.06	3.11	No Change
Staff motivation at work	3.79	3.91	3.79	3.88	No Change
% of staff experiencing physical violence from staff in last 12 months	4%	3%	6%	3%	No Change
Quality of non-mandatory training, learning or development	3.98	4.06	3.97	4.01	No Change
% of staff attending work in the last 3 months	67%	55%	65%	55%	No Change

despite feeling unwell because they felt pressure from their manager, colleagues or themselves					

The response rate for the 2016 survey was 40% which is below the response rate for last year. However, it is important to note that the 2016 survey was of all eligible staff rather than, as previously, a sample and there were over 1,000 completed responses. Perceptions of the Trust, both as an employer and a provider of services show that based on a scale of 1-5 (with 5 being the highest rating), the Trust score of 3.69 is very slightly down on last year but is above the average of 3.63 for mental health organisations. The Trust scores higher than average in the three individual questions which cover seeing the care of service users as a top priority; recommending the Trust as a place to work; and whether staff would be happy with the standard of care should a friend or relative need treatment.

The most significant positive change has been identified as relating to the percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months. The Trust also scores much better than the national average for the number of appraisals undertaken.

The score which has deteriorated most relates to the percentage of staff feeling unwell due to work related stress in last 12 months. The Trust also scores worse than average for staff experiencing physical violence from staff in the last 12 months. However, the Trust scores better than average for the percentage of staff experiencing such harassment.

The Trust has developed an action plan to address the areas identified are needing attention in the tables overleaf. Progress is being monitored by the Board of Directors' Workforce and Organisational Development Committee.

Health and Wellbeing of staff
Of particular note here is the number of staff attending work in the last three months despite feeling unwell because they felt pressure from their manager, colleagues or themselves. The Trust scores worse than average. The Trust sickness rate historically has been a cause for concern as it has been higher than many other organisations. Various initiatives have therefore been undertaken including a recent revision to the sickness absence procedure, and a greater emphasis being placed on promoting staff health and wellbeing. A Staff Health and Wellbeing Group has been established to lead on this work. It is noteworthy that the Trust score for organisational and management interest in, and action on health and wellbeing is in line with other Trusts. Most recently, the Trust has had significant success in reducing the level of staff absence to below average.

The Trust is better than average in terms of staff working extra hours (ie lower).

Equality and Diversity
The Trust scores highly for the percentage of staff believing that the organisation provides equal opportunities for career progression or promotion. The Trust scores average for individuals reported as experiencing discrimination.

The features from this staff survey will feed into the People Plans which are intended to underpin the Directorate Business Plans. The survey results are also discussed with Staff side colleagues in order that their views on priorities and actions can be taken into account.

The response to the staff survey is monitored through the project groups in place to take action, as well as the Joint Consultative Forum (with Staff Side), and also through the Workforce and Organisational Development Board sub-committee.

3.3.12 Expenditure on consultancy
In 2016/17 we spent £317,000 on consultancy. This largely relates to support work provided by Meridian Productivity to review patient flow and ward efficiency.

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

The Trust's procurement policy 'Engaging Individual Self-Employed Contractors' seeks to provide a framework and clear guidance for budget holders and managers to follow when making a decision to recruit an individual to provide a service for the Trust. The order of consideration would generally be: employment, agency, self-employed contractor (off-payroll). Any engagement of a self-employed contractor must be requisitioned in advance of engagement as per usual procurement processes and require the Directorate's Executive Director approval to confirm that he or she is assured that other avenues (employment or agency) have been explored. The Trust assures itself of the tax status of the contractor via issue of a Tax Declaration at the commencement of the contract. A register of engagements of contractors earning over £220 per day is maintained by the Directorate. All such engagements will be reviewed and re-authorised after 12 weeks with advice sought from procurement and Human Resources.

Table 1: For all off-payroll engagements as of 31 March 2017, for more than £220 per day and that last for longer than six months

Number of existing engagements as of 31 March 2017	**1**
Of which:	
Number that have existed for less than one year at time of reporting	0
Number that have existed between one and two years at time of reporting	1
Number that have existed between two and three years at time of reporting	0
Number that have existed between three and four years at time of reporting	0
Number that have existed for four or more years at time of reporting	0

All existing off-payroll engagements, as outlined above, have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 01 April 2016 and 31 March 2017, for more than £220 per day and that last longer than six months.

Number of new engagements, or those that reached six months in duration, between 1 April 2016 and 31 March 2017	**1**
Number of the above which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	0
Number for whom assurance has been requested	1
Of which:	
Number for whom assurance has been received	1
Number for whom assurance has not been received	0
Number that have been terminated as a result of assurance not being received	0

Table 3: For any off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 01 April 2016 and 31 March 2017.

Number of off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, during the financial year	**0**
Number of individuals that have been deemed 'Board members, and/or, senior officials with significant financial responsibility', during the financial year. This figures should include both off-payroll and on-payroll engagements.	**6**

Usually there are 5 Board members, however, the Trust has had 2 Medical Directors during the year.

3.3.14 Exit packages
Staff exit packages
The table below summarises the total number of exit packages agreed during the year. Included within these are compulsory redundancies and other schemes including MARS (Mutually Agreed Resignation Scheme) applications. The note shows packages agreed in year, irrespective of the actual date of accrual or payment.

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
<£10,000	1	1	26	13	27	14
£10,000-£25,000	4	2	13	17	17	19
£25,001-£50,000	2	3	6	6	8	9
£50,001-£100,000	0	1	0	3	0	4
£100,001-£150,000	0	0	0	0	0	0
Total number of exit packages by type	7	7	45	39	52	46
Total resource cost	140	338	523	758	663	987

Analysis of non-compulsory departure payments
The table below discloses non-compulsory departures and values of associated payments by individual type. The note shows packages agreed in year, irrespective of the actual date of accrual or payment. As a single exit package can be made up of several components, each of which will be counted separately in this note, the total number above will not necessarily match the total numbers in Exit Packages note above which will be the number of individuals.

	Number of Agreements		Total Value of Agreements £000	
	2016/17	2015/16	2016/17	2015/16
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	28	28	460	657
Early retirement in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice	14	11	41	51
Exit payments following Employment Tribunals or Court orders	3	1	22	49
Non-contractual payments requiring HMT* approval	0	0	0	0
Total	45	40	523	757
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

* Includes any non-contractual severance payment following judicial medication, and amounts relating to non-contractual payments in lieu of notice. The Remuneration Report provides details of exit payments payable to individuals name in that Report.

3.4 Code of Governance Disclosures
Our commitment to good governance
The Board of Directors recognises the importance of the principles of good corporate governance and is committed to improving the standards of corporate governance followed by all those who play a part in the conduct of the Trust's business.

The Board recognises that the purpose of the NHS Foundation Trust Code of Governance (the Code) (which is published by NHS Improvement, the independent Regulator of NHS Foundation Trusts) is to assist NHS Foundation Trust Boards and their Governors to improve their governance practices by bringing together the best practices from the public and private sectors.

Sheffield Health and Social Care NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a 'comply or explain' basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Code issues in 2012.

Application of the main and supporting principles of the Code of Governance
The Board implements the main and supporting principles of the Code through a number of key governance documents, policies and procedures, including:
- The Trust's Constitution;
- The Standing Orders of the Board of Directors and the Council of Governors;
- The Scheme of Reservation and Delegation of Powers of the Board of Directors;
- The Standing Financial Instructions;
- The Annual Governance Statement;
- Codes of Conduct and Standards of Business Conduct;
- The Annual Plan and the Annual Report;
- Authority structures and terms of reference for the Committees of the Board of Directors and Council of Governors.

Compliance with the provisions of the Code
In 2016/17 the Trust complied with all relevant requirements of the Code with the exception of two provisions.

In relation to provision A.1.9 'having a single code of conduct for Board members'. Although the Trust does not have a single code, the conduct of Board members is governed for Non-Executive Directors by their terms and conditions of office and for Executive Directors their contract of employment. In addition, the Constitution, Standing Financial Instructions and Declaration of Interests and Standards of Business Conduct Policy including Potential Conflicts of Interest, Ethical Standards, Hospitality, Gifts, Research and Commercial Sponsorship all specify the standards of conduct to which all board members adhere.

In relation to provision B.7.4 relating to the terms of office of Non-Executive Directors, a comprehensive review of the Trust's constitution was undertaken and it was decided by the Board of Directors and Council of Governors that terms of office of four years, rather than three stated in the Code, would provide a greater degree of stability and continuity without compromising independence. The revised constitution was approved by the Board of Directors and Council of Governors in August 2016.

Disclosure of corporate governance arrangements

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

A.1.1   Statements on how the Board of Directors and the Council of Governors operate, including high level statements of which types of decisions are to be taken by each one of them and which are to be delegated to the management by the Board of Directors, are contained in Sections 3.1.8 and 3.1.27 of this report. A statement describing how any disagreements between the Council of Governors and the Board of Directors will be resolved is contained in Section 3.1.27.

A.1.2   The names of the Chair, the Vice-Chair, the Chief Executive, the Senior Independent Director, Chairs and members of the Board of Directors' Remunerations and Nominations Committee, the Council of Governors' Nominations and Remuneration Committee and the Audit Committee are contained Sections 3.1.8, 3.1.10 and 3.1.27 of this report. The number of meetings of the Board of Directors, its Committees and the attendance by individual Directors are shown in Sections 3.1.8 and 3.1.10 of this report.

A.5.3   The names of the Governors, details of their constituencies, whether they are elected or appointed, the duration of their appointment and details of the nominated Lead Governor are contained in Section 3.1.27 of this report. The number of meetings of the Council of Governors and the individual attendance by Governors and Directors is also contained in Section 3.1.27.

B.1.1   The Board considers the following Non-Executive Directors to be independent in character and judgement:

   i.   Professor Alan Walker CBE (Chair) (term ended 30/06/16);
   ii.   Jayne Brown OBE (Chair) (term commenced 01/07/16);
   ii.   Ann Stanley;
   iv.   Mervyn Thomas;
   v.   Susan Rogers MBE;
   vii. Richard Mills;
   viii. Councillor Leigh Bramall

The Board holds this view in relation to all of the above-mentioned Directors for the following reasons:

- None of them is employed by the Trust or has been in the last five years;
- None of them has, or has had, within the last three years, a material business relationship with the Trust, either directly or as a partner, shareholder, Director or senior employee of a body that has such a relationship with the Trust;
- None of them has received or receives additional remuneration from the Trust apart from their Director's fee. They do not participate in any performance-related pay as no such scheme is run by the Trust nor are they a member of the Trust's pension scheme;
- None of them has close family ties with any of the Trust's advisers, Directors or senior employees;

- None of them holds cross-directorships or has significant links with other Directors through involvement (with those other Directors) in other companies or bodies;
- None of them is a member of the Council of Governors;
- None of them has served on the Board of this NHS Foundation Trust for more than 10 years.

B.1.4 Contained in Sections 3.1.11 and 3.1.13 of this report is a description of each Director's expertise and experience and a statement on the Board of Directors' balance, completeness and appropriateness. In addition, it also contains information about the length of appointments of the Non-Executive Directors and how those appointments may be terminated.

B.2.10 An explanation of the work of the Remuneration and Nomination Committee which oversees the appointment process of executive members of the Board can be found in Sections 3.1.10.4 and 3.1.27 of this report. The work of the Nominations and Remunerations Committee of the Council of Governors, including the process it used in relation to Board appointments together with an explanation of whether a search consultancy was used in the appointment of the Chair or the Non-Executive Directors, is contained in Section 3.1.27 of this report.

B.3.1 The Trust Chair's other significant commitments and any changes to them during the year are contained in the Directors' Register of Interests referred to in Section 3.1.12 of this report.

B.5.6 A statement about how the Governors have canvassed the opinion of the Trust's members and the public, and for appointed Governors the body they represent, on the Trust's forward plan, including its objectives, priorities and strategy, and how their views were communicated to the Board of Directors is contained in Section 3.1.27 of this report.

B.6.1 A statement on how the performance of the Board, its Committees and individual Directors was evaluated is contained in Section 3.1.13 of this report;

B.6.2 Relating to external evaluation of the Trust Board and governance of the Trust a number of activities have taken place.

A Care Quality Commission (CQC) Well-led inspection was conducted in May 2016 and reported in August 2016. The findings supported the ratings from the last inspection in November 2014 which were assessed a "good" in the Well-led domain. A further comprehensive CQC inspection was undertaken in November 2016 with an overall rating of good and a well-led rating of good, with an outstanding rating identified in one domain in two service areas.

In addition 360 Assurance, the Trust's internal auditors, also conducted a review of the Trust's Provider Licence compliance with the final report completed in February 2017.

Following each review detailed actions plans have been completed and monitored by the Council of Governors, relevant committees and Trust Board.

C.1.1 An explanation from the Directors of their responsibility for preparing the accounts and a statement by the auditors about their reporting responsibilities is contained in Sections 3.1.4 and 3.6 of this report and the approach taken to quality governance is detailed in the Governance Statement (Section 3.7).

C.2.1 A report that the Board has conducted a review of the effectiveness of the Trust's system of internal controls is contained in Section 3.1.10.1 of this report.

C.2.2 The Trust has an Internal Audit function. Information on how the function is structured and what role it performs is included in Section 3.1.10.1 of this report.

C.3.5 The Council of Governors has not refused to accept the recommendation of the Audit Committee on the appointment or re-appointment of an external auditor, and this matter is therefore not reported on.

C.3.9 An explanation of the work of the Audit Committee can be found in Section 3.1.10.1 which includes any significant statements the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed, an explanation of how it has assessed the effectiveness of the Trust's external audit process and details of the Trust's external audit contract as well as information about any non-audit work that may have been commissioned.

E.1.4 Members who wish to communicate with Governors or Directors may do so by contacting the Deputy Board Secretary.

E.1.5 Board members and in particular Non-Executive Directors develop an understanding of the views of Governors and Members through their attendance at meetings of the Council of Governors. They are further informed of the activities of the Council of Governors at monthly Trust Board meetings as updates on the affairs of the Council of Governors and the Trust's Members are a standing item on the Board's agenda. Further details on how the Board canvass the views of Governors and Members can be found in Sections 3.1.27 and 3.1.28 of this report.

E.1.6 The Board monitors membership and engagement monthly through its performance management processes. Information on monitoring how representative the Trust's membership is and the level and effectiveness of member engagement is contained in Section 3.1.28 of this report.

Detailed information regarding the Trust's membership constituencies and their eligibility, membership numbers, the Membership Strategy and steps taken in year to ensure a representative membership are detailed in Section 3.1.28.

The Council of Governors has not exercised their power under paragraph 10c of Schedule 7 of the NHS Act 2006, and this matter is therefore not reported on.

A statement from the Directors that the business is a going concern, together with supporting assumptions or qualifications as necessary, is contained in Section 2.1 of this report.

3.5 NHS Improvement's Single Oversight Framework

Single Oversight Framework
NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:
- Quality of care;
- Finance and use of resources;
- Operational performance;
- Strategic change;
- Leadership and improvement capability (well-led).

Based on information from these themes, provides are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A Foundation Trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

The Single Oversight Framework applied from Quarter 3 of 2016/17. Prior to this, Monitor's *Risk Assessment Framework* (RAF) was in place. Comparative information relating to the RAF has not been presented as the basis of accountability was different. This is in line with NHS Improvement's guidance for annual reports.

Segmentation
NHS Improvement has reviewed the Trust's performance and information available to it and placed the Trust in Segment 2. This segmentation information is the Trust's position as at March 2017.

Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the Trust disclosed above might not be the same as the overall finance score here.

Area	Metric	2016/17 Q3 score	2016/17 Q4 score
Financial sustainability	Capital service capacity	1	1
	Liquidity	1	1
Financial efficiency	I&E margin	1	1
Financial controls	Distance from financial plan	1	1
	Agency spend	2	2
Overall scoring		**1**	**1**

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

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Sheffield Health and Social Care NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Sheffield Health and Social Care NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health Group Accounting Manual and in particular to:
- Observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* (and the Department of Health Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements;
- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; and
- Prepare the financial statements on a going concern basis.

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

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the *NHS Foundation Trust Accounting Officer Memorandum*.
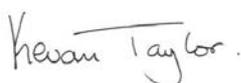
Kevan Taylor
Chief Executive
26 May 2017

3.7 Annual Governance Statement

1.   Scope of Responsibility
As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Foundation 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 Foundation 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 Foundation Trust Accounting Officer Memorandum*.

2.   The Purpose of the System of Internal Control
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Sheffield Health and Social Care NHS Foundation 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 Sheffield Health and Social Care NHS Foundation Trust for the year ended 31 March 2017 and up to the date of approval of the Annual Report and Accounts.

3.   Capacity to Handle Risk
3.1   Risk Management Leadership and Structure
I am ultimately responsible and accountable for the Trust's provision of safe services and for ensuring that the systems on which the Board of Directors relies to govern the organisation are effective. I am supported in these duties by:
- The Deputy Chief Executive / Executive Director of Operations who is responsible for safe delivery of operational service and is the Caldecott Guardian;
- The Executive Director of Nursing, Professions and Care Standards who is responsible for the management of risk across these three portfolios;
- The Executive Medical Director who is responsible for clinical governance, clinical risk management and clinical effectiveness, service user experience and medical practice and medical advice on risk and safety issues;
- The Executive Director of Finance who is responsible for managing financial risk and who is also the Senior Information Risk Owner (SIRO), and has responsibility for information governance and performance management;
- The Associate Director of Human Resources who is responsible for health and safety, training and risk management associate with the Trust's employment processes;
- The Director of Corporate Governance (Board Secretary) who is responsible for the management of the Corporate Risk Register and the Board Assurance Framework.

The Trust's Corporate and Clinical Governance Teams provides leadership, support, guidance and advice for all matters relating to risk management and corporate and clinical governance. Specific roles and responsibilities for risk management are detailed within the Trust's Risk Management Strategy, and include:

- All Directors are operationally responsible for safety and the effective management of risk within their areas of responsibility;
- All managers including team managers/leaders and heads of departments are responsible for health and safety and the effective management of risks within their teams, services or departments;
- All Trust staff, including those on temporary contracts, placements or secondments, and contractors must keep themselves and others safe. All staff have a duty of care to provide safe services and do no harm. All health and social care staff working directly with service users and carers are responsible for ensuring that their work is safe and that they use systematic clinical risk assessment and management processes in the delivery of care and treatment.

3.2   Staff Training and Development

Staff training and development needs with regard to risk management and safety are described in the Trust's Mandatory Training Policy. Staff receive appropriate training, relevant to their post requirements. All staff receive an introduction to the organisation and core training (risk management, health and safety, equality and human rights, information governance, safeguarding, infection control etc.). More specific training is provided, dependent upon the individual's job role, and includes incident reporting and investigation (including root cause analysis), Mental Health Act, Mental Capacity Act, first aid and life support (including resuscitation), clinical risk assessment and management, medicines management and Respect (managing violence and aggression). During the year the Trust has worked hard to achieve its mandatory training requirements. However, whist these have significantly improved, not all targets have been met this year. This has resulted in a risk being recorded on the Corporate Risk Register and the Board Assurance Framework. An action plan has been developed to mitigate this risk and work is continuing in this area.

The Trust employs a range of suitably qualified and experienced personnel who are accessible to all staff to advise on risk issues, such as clinical risk, infection control, risk assessment, health and safety, litigation, liability, fire and security, environmental, estate management, medicines management, safeguarding, human resources, data protection, corporate, information governance and financial.

Development training for the Board of Directors during 2016/17 has included learning and monitoring progress against action plans following Care Quality Commission (CQC) inspections, developing the Trust strategy and agreeing priorities for the Trust's Annual Plan for 2017/18, establishing the strategic direction for the Trust and specifically primary care and learning disability services, Five Year Forward View, Sustainability and Transformation Programme, developing and critiquing the Board Assurance Framework and Risk Management Strategy (including consideration of the Trust's risk appetite) and the wider issues of good governance and a well-led organisation.

3.3   Learning from Good Practice

The Trust uses a variety of mechanisms for ensuring that good practice and lessons learned are shared across the services. These include:
- Quality Assurance Committee reports;
- Quality Improvement Group presentations and reports;
- Clinical audit and clinical effectiveness reports;
- Serious incident briefings;
- Compliment and complaint reports;

- Quality improvement and sharing good practice events;
- Team /Directorate governance reports and events;
- In-patient Forum;
- Community Care Forum;
- Service User Safety Group;
- Service User Engagement Group;
- Risk register links forums.

4.   The Risk and Control Framework
4.1   Risk Management Strategy

The Trust recognises that positive and managed risk taking is essential for growth, development and innovation. 'Risks' are not seen as barriers to change and improvement; instead they are recognised, considered and managed effectively as part of service improvements. The Trust's Risk Management Strategy describes the Trust's vision, values, attitude and strategic approach to safety and risk management; sets out the Trust's structure and governance arrangements, together with defining levels of authority, accountability and responsibility for risk management.

All risks are assessed using a stepped approach which identifies and analyses the risk, identifies the control measures in place and how effective these are and the actions that need to be taken to reduce/mitigate/remove the risk. Risks are graded according to their severity and likelihood of recurrence, using a 5 x 5 risk grading matrix based upon guidance produced by the former National Patient Safety Agency.

Risks which affect more than one Directorate are entered onto the Corporate Risk Register. Risks are recorded on an electronic risk management database (Ulysses Safeguard system), which is separated into teams, departments and Directorates. All recorded risks have an accountable individual and are reviewed and monitored by the appropriate operational governance group. Risk registers are held at corporate, Directorate and team/local level. Each Directorate has a risk register lead responsible for managing and maintaining their risk register. The Corporate Risk Register is administered by the Director of Corporate Governance (Board Secretary), supported by the Risk Register Co-ordinator, who also provides advice, support and guidance for the directorate risk register leads.

Risks categorised as moderate or high (with a score of 12 or above) which are recorded on the Corporate Risk Register are reported to the Executive Directors' Group and the Board of Directors every month. The full Corporate Risk Register is reviewed and reported to the Executive Directors Group and Audit Committees quarterly. As at 31 March 2017 the Trust had identified 18 risks on the Corporate Risk Register. Of these risk 4 were rated with a risk score of 12 (Moderate) and 3 with a risk score of 15 or above (High).

Trust Board members attended a workshop in October 2016 to consider the Board's approach to risk appetite. They used the Institute of Risk Management (2016) definition which says that risk appetite is "*the amount of risk at board level that an organisation is willing to take on in order to meet strategic objectives*". It is the level at which the Trust Board determines whether an individual risk, or a specific category of risks are considered acceptable or unacceptable based upon the circumstances / situation facing the Trust. The Trust's approach is to minimise exposure to risk that impacts on patient safety and the quality of our services. However, the Trust accepts and encourages an

increased degree of risk in the objective relating to innovation provided the innovation is consistent with the achievement of patient safety and quality improvements. The Risk Management Strategy details the risk scoring system related to risk appetite in more detail.

Risks are also highlighted via incidents, including serious incidents, complaints, concerns, safeguarding issues, claims and other queries. The Quality Assurance Committee of the Board of Directors receives quarterly reports on incidents, complaints, infection prevention and control, safeguarding, service user experience and clinical audit.

The Trust has a strong incident reporting culture and staff are actively encouraged to report all incidents and near misses to enable the Trust to learn from such events and improve service user safety. The Trust is currently rolling out electronic incident reporting which enables staff, managers and the Trust to respond more efficiently and effectively to incidents.

Internal Audit has reviewed the Trust's risk management arrangements during the year and examined the effectiveness of controls in place. Their opinion of this was that there is Moderate Assurance that there is a generally sound system of internal control, however, inconsistent application of controls put the achievement of the organisation's objectives at risk. In providing this opinion, Internal Audit recognised that significant action has been undertaken to develop the governance arrangements in the Trust and to improve the response to internal audit recommendations.

4.2   Board Assurance Framework (BAF)

The Board Assurance Framework is a document which is based on the Trust's strategic aims as described in the Annual Operating Plan, and the Corporate Objectives derived from those strategic aims. The Board Assurance Framework records the key risks which may inhibit the delivery of those objectives and gives assurance regarding the robustness of the Trust's system of internal controls which mitigate against those risks.

A substantial refresh of the Board Assurance Framework took place in 2016/17. The Board Assurance Framework was reviewed quarterly by the Audit Committee in conjunction with the Corporate Risk Register. Each Board Committee also received the element of the BAF relevant to their remit on a quarterly basis. Following Committee reviews, the BAF was received by the Trust Board in July and December 2016. In 2016-17, of those control areas identified for improvement, none were deemed to pose a serious risk to the overall system of internal control or delivery of the Trust's strategic objectives.

At the end of each financial year, the Board receives and approves the final Board Assurance Framework and any residual risks and outstanding actions are carried forward onto the refreshed BAF. Any underlying risks are similarly updated on the Corporate Risk Register.

4.3   Public Stakeholder Involvement in Managing Risks

It is a key organisational ambition of the Trust to continuously improve our approach to working with service users, carers, governors and partners, both voluntary and statutory, to enable quality improvements in all areas of our business.

This year has seen the Service User Engagement Group (SUSEG) go from strength to strength with representation from all service directorates and service users. The group co-designs and delivers key workstreams and events which ensures service user and carer views are at the heart of decision making. The Trust Board also approved the Service User Engagement Strategy.

Service users and carers are members of the service governance structures of the Trust and actively take part in groups across the Trust to contribute to planning and service improvement such as the Inpatient Forum, Service User Safety Group, Restrictive Interventions Project Group and more recently the Smoke Free Implementation Group. Their contribution includes addressing issues of service user safety and improving the quality and effectiveness of care. Service user views are also actively sought through surveys and focus groups. The Trust has a number of service user networks, led by service users, which enable services to improve their care, in line with service user feedback. Service users also volunteer in many of our services and undertake focussed work to strengthen our engagement and facilitate quality improvements

Service users and carers have also been involved in assisting the Trust to undertake various site visits in relation to our 15 steps challenge, checking compliance against the Care Quality Commission's (CQC) Fundamental Standards and the Patient-Led Assessments of the Care Environment (PLACE) visits. One "Enter and View" visit from Healthwatch Sheffield has taken place this year at Highgate Surgery, one of our Clover Group GP practices. These visits include service users/carers and volunteers and are used by Healthwatch to find out how services are being run and make recommendations where there are areas for improvement.

Our partnership working has also developed this year, with regular meetings taking place with Healthwatch Sheffield and a cross-city partnership improvement group being established with providers, commissioners and Healthwatch. This group has facilitated stronger joint working and coordination of stakeholder engagement events across the city.

As a Foundation Trust Sheffield Health and Social Care has public members and a Council of Governors. The overall role of the Council of Governors is to assist the Trust in the drive to raise standards by providing services of the highest possible quality that meet the needs of the people of Sheffield. The Council of Governors receives updates on the Trust's compliance against regulations and standards and helps plan and steer the Trust and assists in setting priorities for improvements and changes. Governors are also members of key governance meetings where they can represent the interests of the local community, service users and carers and make sure that the Trust does what it says it will do.

4.4 Quality Governance Arrangements

The Trust triangulates service performance across a range of indicators relating to care standards, quality, workforce and finance at service, Directorate and Trust wide level. Further developments were made in 2016/17 to enhance performance management frameworks through effective business information systems. The Board of Directors' monthly and annual performance reporting processes ensure that the Executive Directors' Group is able to scrutinise and manage the operational performance of services and the Board of Directors to maintain overall oversight on the performance of the Trust.

On an established quarterly cycle, the performance of all services is reviewed through Directorate-level Service Reviews. The Executive Management Team reviews with each operational Directorate their performance against planned objectives.

Sheffield Health and Social Care NHS Foundation Trust reports progress on the Trust's Quality Objectives to the Quality Assurance Committee of the Board of Directors quarterly and also regularly monitors progress against the quality indicators contained within the Quality Schedule that is agreed with our commissioners, NHS Sheffield Clinical Commissioning Group.

Quality Impact Assessments are undertaken on all cost improvement plans contained within the Trust's Annual Plan, Directorate level business plans and business case development, production and implementation. The vast majority of plans were originally assessed as very low or low risk in respect of their impact on the quality of services. One risk was increased temporarily to a moderate rating during one quarter, whilst service improvements were being made. The Trust has arrangements in place to ensure that assessments of the impact on service quality is integral in the production of its forward and future plans. Ongoing and routine monitoring of quality impact assessments takes place, which provides assurance through the Trust's Quality Assurance Committee to the Board of Directors.

The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission (CQC).

The governance framework outlined in Section 7 of this statement ensures that the Board of Directors is able to monitor and evaluate the performance of the Trust and its services and to initiate improvement actions where required. Following the CQC inspection report in June 2015 the Trust reviewed and updated its Quality Improvement and Assurance Strategy. This was approved by the Board of Directors with an action plan to ensure a range of improvements are made over the next year to further strengthen our approach to quality governance. This will be updated to incorporate further CQC inspection report findings.

Ongoing compliance with the CQC's Fundamental Standards of Quality and Safety is assessed throughout the year by individual teams within their internal governance processes. Any areas of concern are escalated through Directorates and to the Head of Integrated Governance.

The Trust has established a compliance review process, involving staff members and experts by experience, to test and assess compliance against the CQC's domains. Where contractual arrangements are in place stakeholders also assess compliance with CQC standards and monitor progress where improvements are identified. The Trust's Non-Executive Directors also have an established programme of site visits to further assure the Trust of the quality of care provision.

4.5   Information Governance and Data Security

The Trust has an Information Governance Policy which provides a framework that incorporates a range of policies relating to the creation, use, safe handling and storage of all records and information. The management and monitoring of information risks is the responsibility of the Trust's Senior Information Risk Owner (the Executive Director of Finance) and information risks and incidents are reviewed and monitored through the

Data and Information Governance Board, which is a sub-group of the Digital Transformation Board and also reports to the Quality Assurance Committee.

The Trust continues to adhere to the Information Governance Toolkit. The Trust submitted the Information Governance Toolkit in March 2017 and has met the required level on all items. A work programme will be developed to ensure further progress over the following year once the new version of the Toolkit has been released

Information Governance training is included as part of the core training for new starters and other training sessions have been provided for staff. Information Governance is also covered in the Trust's local induction checklist for all new staff. Reminders are presented to staff when accessing the Trust's main patient information system, and all staff are expected to complete annual online information governance training.

Information governance and data security incidents and risks are recorded and reported through the Trust's risk management processes, as described above.

Between 1 April 2016 and 31 March 2017 the Trust had one incident, rated level 2 or above, reportable to the Information Commissioners Office (ICO), as classified by the Department of Health Checklist for Reporting, Managing and Investigating Information Governance Serious Untoward Incidents, Gateway Ref. 13177). This involved an assessment for one service user which had accidentally been stored against another service user of the same name and which was then disclosed in error. The incident was reviewed by the ICO and no formal enforcement action was taken. In a separate incident, which did not require reporting, the Trust's external website was hacked and the content of one page changed but this did not involve any service user information.

4.6   Foundation Trust Compliance
The Trust's Internal Auditors completed a review of the Trust's arrangements for assuring compliance against its Provider Licence in year final report provided March 2017. In total six risks were identified, of these 4 were medium risks and 2 classed as low risks. Actions have been agreed to rectify these risks. In addition the Board of Directors receives regular information on various aspects of the Trust's performance, to assure itself that it is fulfilling the requirements and responsibilities as established within the Provider Licence, Code of Governance and Quality Governance Framework. Further information on this is provided within Section 3.4 of the Trust's Annual Report.

4.7   NHS Pensions Scheme Regulations
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.

4.8   Equality, Diversity and Human Rights
Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. Equality Analysis is required of all trust written polices and Equality Analysis is also undertaken through processes set out in the Trust Project Management Documentation Suite. Information and reports related to compliance with obligations under the Equality Act 2010 is published through the Trust's internet.

4.9   Carbon Reduction Plans

The Foundation Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

5.   Review of Economy, Efficiency and Effectiveness of the Use of Resources

The Trust has a robust committee governance structure including the Audit Committee, Remuneration and Nomination Committee, Finance and Investment Committee, the Workforce and Organisation Development Committee and the Quality Assurance Committee, together with various operational groups. This committee governance structure, together with the Board of Directors', is the foundation of effective governance within the Trust. The Trust's Internal Auditors conducted a review of the structure in 2015 and following this report the terms of reference for each committee was reviewed to ensure that they were fit for purpose.

The Executive Directors' Group provides strategic and operational governance for all plans to develop new or reconfigured services, supported by the Business Planning Group.

The Trust has continued to review a number of operational efficiency metrics throughout the year, including the results of benchmarking exercises. This has enabled the Trust to focus on service elements that can be considered in terms of the delivery of the Trust's Cost Improvement Programme (CIP) targets. The Trust has also carried out productivity analysis of its clinical services to drive further improvements in efficiency and help realise further efficiency savings, without impacting on quality standards of care.

The Trust has continued to take a Quality, Innovation, Prevention and Productivity (QIPP) approach to the delivery of Cost Improvement Plans and Cash Releasing Efficiency Scheme (CIP/CRES) targets. All CIP schemes are quality impact assessed to ensure the effectiveness. Detailed plans have been presented to the Board of Directors and regular reports are provided to the Board regarding delivery against these targets.

The organisation has strong leadership through its operational Directors, where a Service and Clinical Director have joint management of clinical Directorates and Support Directors have the same responsibility for Central or Corporate Directorates. Each of these Directors have had budget training and are responsible for ensuring that the resources they manage are done so effectively and efficiently and demonstrate value for money. Budget managers are provided with monthly budget reports and activity statements for their areas of responsibility to assist them in undertaking this role. A service review, including financial matters, is undertaken on a minimum six monthly basis and a financial sign off for current year budgets is performance managed by the respective Executive Directors.

6.   Annual Quality Report

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. NHS Improvement (in exercise of the powers conferred on Monitor) has issued guidance to NHS foundation trust boards on the form and content of annual

Quality Reports which incorporate the above legal requirements in the *NHS Foundation Trust Annual Reporting Manual*.

During the year the Board of Directors has continued to review performance against its quality indicators and designated quality objectives. The Board does this through the reports and reviews to the Quality Assurance Committee (a formal committee of the Board of Directors) and to the Directors directly. This has enabled the Board to remain appraised of our current performance in respect of quality. Additionally, joint meetings of the Board of Directors' and Council of Governors have reviewed areas of importance to be progressed in the future.

In preparing the Quality Report, Directors satisfied themselves that the report presents a balanced view and that there are appropriate controls in place to ensure the accuracy of the data taken from the Trust's systems for patient records (Insight) and risk management (Ulysses Safeguard) and public websites, e.g. the CQC. Service user feedback and information collected through team governance has also been used in the production of the report.

National reviews and guidance reports on Quality Accounts from NHS Improvement were reviewed as well as the External Auditors' assurance report on Sheffield Health and Social Care NHS Foundation Trust's Quality Accounts from last year.

The Trust has consulted Sheffield City Council's Healthier Communities and Adult Social Care Scrutiny Committee, Healthwatch Sheffield and NHS Sheffield Clinical Commissioning Group on our Quality Account. Once complete these will be received and considered by the Board of Directors, Quality Assurance Committee and Audit Committee.

In reviewing and confirming its Quality objectives the Trust supported the Governors to undertake engagement with our Members on their opinions and thoughts on our planned improvement areas. Members commented on our proposals and their views and opinions have informed our final plans as outlined in the Quality Account.

Our Quality Report is contained in Section 4 of the Annual Report.

7.   Review of Effectiveness
As Accounting 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 Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual Report and other performance information available to me.

My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board of Directors, the Audit Committee, the Quality Assurance Committee, the Workforce and Organisation Development Committee, the Finance and Investment Committee, the Information Governance Steering Group, the Human Resources and Workforce Group, the Business Planning Group, the Operational Delivery Group, the Strategic Leadership

Group, the Quality Improvement Group and the Executive Directors' Group and a plan to address weaknesses and ensure continuous improvement of the system is in place.

These Committees/Groups and their accountability and reporting relationships are described more fully below and in the Trust's Operational Plan. When Committees present their minutes to the Trust Board they also now include a section highlighting any significant issues, assurance or risks. I believe that the Committee structure underpins an effective and robust system of governance for the Trust.

The Head of Internal Audit provides me with an opinion based on an assessment of the design and operation of the underpinning Assurance Framework and supporting processes and an assessment of the individual opinions arising from risk-based audit assignments contained within the internal audit risk based plan that have been reported throughout the year. This assessment has taken into account the relative materiality of these areas and management's progress in respect of addressing control weaknesses. The overall opinion of the Head of Internal Audit is that a Moderate Assurance can be given. This is based on a review of the Trust's systems of internal control, primarily through the operation of the Board Assurance Framework (BAF) in the year to date, the outcome of individual assignments also completed in the year to date and Trust responses to audit recommendations. The Head of Internal Audit noted that there is a generally sound system of internal control, however, inconsistent application of controls put the achievement of the organisation's objectives at risk. In providing this opinion, the Head of Internal Audit recognised that significant action has been undertaken to develop the governance arrangements in the Trust and to improve the response to internal audit recommendations. The overall moderate assurance is based on significant assurance for internal audit plan and outturn, moderate assurance for BAF and strategic risk management and limited assurance for follow up of audit actions. I note the comments in the Head of Internal Audit Opinion, noting particularly the areas for improvement and follow up highlighted in the Opinion, which will help the Trust shape its governance systems and culture in 2017- 2018 . This work will be closely monitored by the Audit Committee, who will provide assurance or highlight risks to the Trust Board.

Executive managers within the organisation, who have responsibility for the development and maintenance of the system of internal control, provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

My review is also informed by:
- Reports from the Board of Directors and the Board Committees;
- Reports from External Audit;
- Reports from Internal Audit;
- External assessments by the CQC, including Mental Health Act Commissioners;
- Full registration with the CQC across all locations;
- Clinical Audit Programme;
- Quality improvement systems in health care – Microsystems;
- Patient-Led Assessments of the Care Environment (PLACE);
- Service User Surveys;
- Information Governance Toolkit assessment.

7.1 Board of Directors

The Board of Directors is responsible for ensuring that the organisation has robust clinical, corporate and financial governance systems in place. This includes the development of systems and processes for financial control, organisational control and risk management. The Board of Directors receives and scrutinises detailed information and assurances on all aspects of the Trust's performance and business. It assesses its own performance and effectiveness, ensuring that it complies fully with its statutory and regulatory functions and duties. Further information on the Board of Directors can be found in Section 3 of the Trust's Annual Report. Further information on the Board of Directors' committees (as given below) can be found in Section 3.1.10 of the Trust's Annual Report.

7.2 Audit Committee

The Audit Committee provides assurance to the Board of Directors through objective review and monitoring of the Trust's internal control mechanisms, such as financial systems, financial information, compliance with the law, governance processes, among others. It monitors the effectiveness of the systems in place for the management of risk and governance, and delivery of the Board Assurance Framework.

7.3 Quality Assurance Committee

The Quality Assurance Committee provides assurance to the Board of Directors on the quality of care and treatment provided across the Trust by ensuring there are efficient and effective systems for quality assessment, improvement and assurance and that service user and carer perspectives are at the centre of the Trust's quality assurance framework.

A number of committees/groups report to the Quality Assurance Committee including the Medicines Management Committee, Infection Control Committee, Safeguarding Adults and Children and Psychological Therapies Governance Committee, among others. These groups regularly meet to discuss risks in their specific areas. The Service User Safety Group has a particular role in reviewing risks to the safety of service users, staff and the public.

7.4 Finance and Investment Committee

The Finance and Investment Committee provides assurance to the Board of Directors on the management of the Trust's finances and financial risks.

7.5 Remuneration and Nominations Committee

The Remuneration and Nominations Committee makes recommendations to the Board of Directors on the composition, balance, skill mix and succession planning of the Board, as well as advising on appropriate remuneration and terms and conditions of service of the Chief Executive, Executive Directors and Directors.

7.6 Workforce and Organisation Development Committee

This Committee provides assurance to the Board of Directors on the human resource structures, systems and processes that support employees in the delivery of high quality, safe patient care and to ensure the Trust meets its legal and regulatory duties in relation to its employees.

7.7 Executive Directors' Group

The role of the Executive Directors' Group is to ensure the operational and performance delivery of services in line with Trust strategic and business objectives.

The Executive Directors' Group is the key team which manages strategic and operational risk issues, and receives frequent reports on risk and governance.

7.8   Operational Governance Groups

A number of operational governance groups are established across the Trust, together with a series of professional advisory groups and committees, which report to the Executive Directors' Group. These groups provide operational, clinical and professional advice and assurance on the Trust's business.

From the reports and information provided across the organisation to the various governance groups, I am satisfied that the system of internal control is effective and supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets.

Conclusion

In my opinion no significant internal control issues have been identified for the period 01 April 2016 to 31 March 2017.
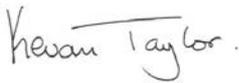
Kevan Taylor
Chief Executive
26 May 2017

3.8 Equality Report
Equal Opportunity and Dignity Statement

In 2016 we updated our Equal Opportunities and Dignity at Work Policy and associated statement:

Sheffield Health and Social Care NHS Foundation Trust is committed to eliminating discrimination, promoting equal opportunity and doing all that we can to foster good relations in the communities in which we provide services and within our services. We aim to recognise and promote the diversity of our organisation with respect to gender; race; ethnicity; ethnic or national origin; citizenship; religion; disability; mental health; age; domestic circumstances; social class; sexual orientation; marriage or civil partnership status and beliefs, and recognise and support trade union membership.

We believe in fairness and equality and aim to value diversity and promote inclusion in all that we do. This is reflected in our Trust Values that form the guiding principles and behaviours for the way we do our work. Our values are at the heart of celebrating and promoting the diversity of our organisation; prioritising equal opportunity is essential to living these values.

The Trust is committed to ensuring that all employees achieve their full potential in an environment characterised by dignity and mutual respect. Within our teams valuing difference is fundamental; it enables staff to create respectful work environments and to deliver high quality care and services while giving service users the opportunity to reach their full potential.

If unlawful discrimination occurs it will be taken very seriously and may result in formal action being taken against individual members of staff, including disciplinary action.

Equality and Diversity
In 2016 we used the Equality Delivery System to identified a new set of Trust Equality Objectives – these are published on our website and can be accessed through the following link https://shsc.nhs.uk/about-us/equality/our-equality-objectives/

The Trust also published its Annual Equality and Human Rights Report 2015/16 this can be found through the following link:
http://shsc.nhs.uk/wp-content/uploads/2016/08/Equality-and-Human-Rights
_Report_SHSC_MAIN_201516_FINAL_August2016.pdf

The Trust also publishes information about the diversity of staff and service user. The report for 2015/16 contains information that was current on 31 March 2016 and can be found through the following link:
http://shsc.nhs.uk/wp-content/uploads/2016/08/SHSC-
_Supplemementary_Annual_Report-_2015_16_FINAL.pdf

Highlights of 2016/17

In 2016/17 the Trust updated and developed the following policies relevant to Equality and Inclusion:

- Gender Reassignment Support in the Workplace Policy;
- Managing and Supporting Staff experiencing Domestic Abuse Policy;
- Zero Tolerance of Harassment (Third Party) Policy;
- Mental Health Act Code of Practice – Equality and Human Rights Policy.

We made good progress on the actions we identified in our Workforce Race Equality Standard (WRES) action plan and the Trust Board agreed specific WRES targets. We published our second WRES report and an action plan for 2017/18. For more information please see the following reports.

Workforce Race Equality Standard Report 2016
http://shsc.nhs.uk/wp-content/uploads/2016/08/SHSC_WRES-REPORT-2016.pdf

Workforce Race Equality Standard Report Action Plan and Targets 2016 - 2021
http://shsc.nhs.uk/wp-content/uploads/2016/08/SHSC_WRES-REPORT_ACTION_PLAN_2016_and_TARGETS-2016-2021.pdf

Our mentoring project involving Board members mentoring Black Asian and Minority Ethnic staff was a success and the Trust identified funding to continue a second phase of the project which progressed well in 2016.

We also implemented the Accessible Information Standard.

Did you know?
We are proud to be a participant in Innov8 which aims to increase the diversity of NHS leaders, particularly in senior roles, and increase the number of inclusive leaders in organisations.

3.9 Sustainability Report

As an NHS organisation, and as a spender of public funds, we have an obligation to work in a way that has a positive effect on the communities we serve. Sustainability means spending public money well, the smart and efficient use of natural resources and building healthy, resilient communities. By making the most of social, environmental and economic assets we can improve health both in the immediate and long term even in the context of rising cost of natural resources. Demonstrating that we consider the social and environmental impacts ensures that the legal requirements in the Public Services (Social Value) Act (2012) are met.

We continue to focus on the objectives of our approved Sustainable Development Management Plan (SDMP). It is now, more than ever, essential that we ensure the organisation is fit for the future and we gain commitment to the values of sustainable development throughout the organisation. We are dedicated to recognising opportunities to ensure we are reducing inefficiencies, reducing our consumption of energy and resources and ensuring we promote wellbeing both at work and at home.

Our objectives:
- Promote active travel;

- Carry out staff travel survey;
- Produce, monitor and report on Sustainability Key Performance Indicators;
- Create a healthy workforce plan;
- Clear engagement strategy for staff and service users;
- Review the Trust's Business Continuity Plan to include Adaptation;
- Introduce Sustainability Clauses into all job descriptions;
- Create a framework for more partnership working on sustainability.

As a part of the NHS, public health and social care system, it is our duty to contribute towards the level of ambition set in 2014 of reducing the carbon footprint of the NHS, public health and social care system by 34% (from a 1990 baseline) equivalent to a 28% reduction from a 2013 baseline by 2020. It is our aim to supercede this target by reducing our carbon emissions 15% by 2017/18 using 2013/14 as the baseline year.

Policies
In order to embed sustainability within our business it is important to explain where in our process and procedures sustainability features.

Area	Is sustainability considered?
Travel	No
Business Cases	No
Procurement (environmental)	No
Procurement (social impact)	Yes
Suppliers' impact	No

One of the ways in which an organisation can embed sustainability is through the use of an SDMP. An update to our SDMP is required because it has not been approved by the Board of Directors in the last 12 months.

One of the ways in which we measure our impact as an organisation on corporate social responsibility is through the use of the Good Corporate Citizenship (GCC) tool. The last time we used the GCC self assessment was in 2015, scoring 32%. As an organisation that acknowledges its responsibility towards creating a sustainable future, we help achieve that goal by running awareness campaigns that promote the benefits of sustainability to our staff.

Climate change brings new challenges to our business both in direct effects to the healthcare estates, but also to patient health. Examples in recent years include the effects of heat waves, extreme temperatures and prolonged periods of cold, floods, droughts etc. The organisation has identified the need for the development of a Board approved plan for future climate change risks affecting our area.

Partnerships
The NHS policy framework already sets the scene for commissioners and providers to operate in a sustainable manner. Crucially for us as a provider, evidence of this commitment will need to be provided in part through contracting mechanisms.

We have not currently established any strategic partnerships. For commissioned services here is the sustainability comparator for our CCGs:

Organisation Name	SDMP	GCC	SD Reporting score
NHS Sheffield CCG	No	No	Good

More information on these measures is available here: www.sduhealth.org.uk/policy-strategy/reporting/organisational-summaries.aspx

Performance

Organisation

Since the 2007 baseline year, the NHS has undergone a significant restructuring process and one which is still on-going. Therefore, in order to provide some organisational context, the following table may help explain how both the organisation and its performance on sustainability has changed over time.

Context info	2013/14	2014/15	2015/16	2016/17
Floor Space (m²)	50,607	50,074	49,204	49,204
Number of Staff	3,179	2,833	2,730	2,642

In 2014 the Sustainable Development Strategy outlined an ambition to reduce the carbon footprint of the NHS by 28% (from a 2013 baseline) by 2020. We have supported this ambition as follows:

- We take part in NHS Sustainability Day – this is a national day of recognition, information sharing and the promotion of sustainable practices;
- Dedicated Sustainability Champions across the Trust continue to promote sustainable practices within their work area;
- We have established a Sustainability Business Management Group and a Sustainability Champions Group to lead and drive the sustainability agenda;
- We are committed to seeking opportunities to enhance staff training to promote sustainable behaviour. Examples include: refreshed waste signage and guidance documents. We are also continuing to work towards an e-learning package to be assessed and implemented;
- A dedicated Sustainability page has been developed on the staff intranet, containing helpful and informative documents, links and information.

Energy

We have spent £584,434 on energy in 2016/17, which is a 6% decrease on energy spend from last year.
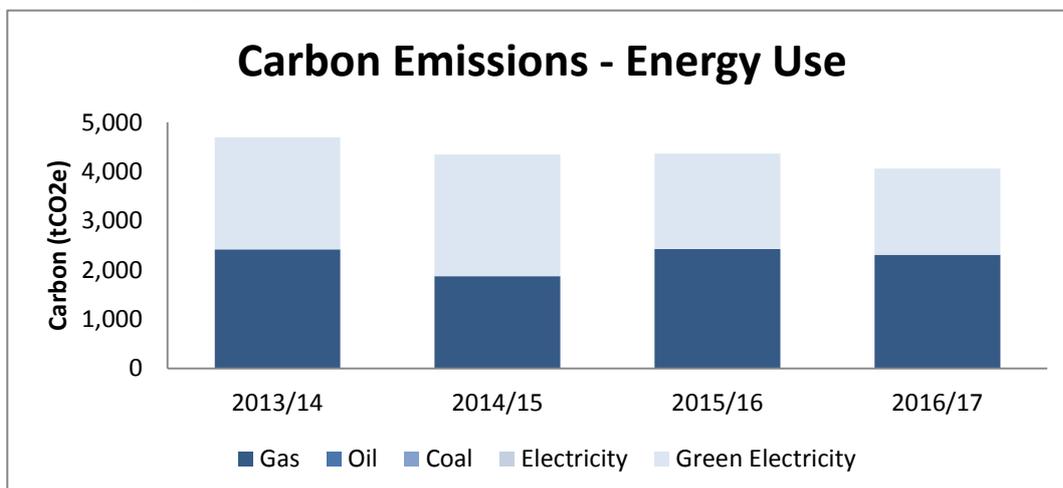
Resource		2013/14	2014/15	2015/16	2016/17
Gas	Use (kWh)	11,406,420	8,936,166	11,568,423	11,045,984
	tCO$_2$e	2,420	1,875	2,421	2,308
Oil	Use (kWh)	0	0	0	0
	tCO$_2$e	0	0	0	0
Coal	Use (kWh)	0	0	0	0
	tCO$_2$e	0	0	0	0
Electricity	Use (kWh)	0	0	0	2,752,448
	tCO$_2$e	0	0	0	0
Green Electricity	Use (kWh)	4,065,214	3,988,068	3,372,493	636,275
	tCO$_2$e	2,276	2,470	1,939	1,751
Total Energy CO$_2$e		4,696	4,345	4,360	4,060
Total Energy Spend		£834,695	£714,189	£620,038	£584,434

Performance
19% of our electricity use comes from renewable sources.

Commentary
Lighting upgrades continue across the Trust's property portfolio with the introduction of LEDs (Light Emitting Diodes). LED lighting has now been installed on Burbage Ward, Stanage Ward, Maple Ward and Dovedale Ward and the car parks at Woodland View and Lightwood House.

Energy monitoring and targeting will continue including charge validation and usage monitoring as well as hints and tips for staff to reduce the energy we consume. We are also carrying out a focused review to determine the software we are currently licenced to use or have access to via our energy suppliers is not duplicated and adds value.

Travel
We can improve local air quality and improve the health of our community by promoting active travel – to our staff and to the service users and public who use our services.

Every action counts and we are lean organisation trying to realise efficiencies across the board for cost and carbon (CO2e) reductions. We support a culture for active travel to improve staff wellbeing and reduce sickness. Air pollution, accidents and noise all cause health problems for our local population, service users, staff and visitors and are caused by cars, as well as other forms of transport.

| Category	Mode	2013/14	2014/15	2015/16	2016/17
Service user and visitor travel	miles	1,319,374	45,745	52,956	43,371
	tCO$_2$e	487.47	16.81	19.15	15.67
Business Travel and fleet	miles	1,567,698	181,731	217,811	15,998
	tCO$_2$e	570.18	1.44	1.33	NYA*
Staff commute	miles	2,918,727	2,721,430	2,622,486	2,537,952
	tCO$_2$e	1,078.39	999.93	948.38	917,24

*figure not yet available

Performance

The Trust's Bicycle User Group (BUG) is well established and good practices continue to be shared where feasible. This will be increasingly important as we work towards our SDMP objective promoting alternative travel to and from our places of work and around the city.

We will continue to work on undertaken a review of how we all travel to and from work, producing action plans to increase alternative travel to cars – this also includes a review of the current Trust facilities available e.g. cycle storage, lockers and showers.

Our Transport Services and Estates will continue to trial alternative fleet vehicles with a view to introducing 'dual fuel' or similar if proven to meet service needs/delivering value for money.

Waste

Waste		2013/14	2014/15	2015/16	2016/17
Recycling	(tonnes)	143.95	57.00	141.70	124.71
	tCO_2e	3.02	1.20	2.83	2.62
Other recovery	(tonnes)	5.58	339.00	409.05	343.23
	tCO_2e	0.12	7.12	8.18	7.21
High Temp disposal	(tonnes)	2.69	9.00	6.46	16.14
	tCO_2e	0.59	1.98	1.41	3.55
Landfill	(tonnes)	268.82	7.00	55.06	68.91
	tCO_2e	65.71	1.71	13.46	21.36
Total Waste (tonnes)		421.04	412.00	612.27	552.99
% Recycled or Re-used		34%	14%	23%	23%
Total Waste tCO_2e		69.44	12.01	25.89	34.74

Waste Breakdown
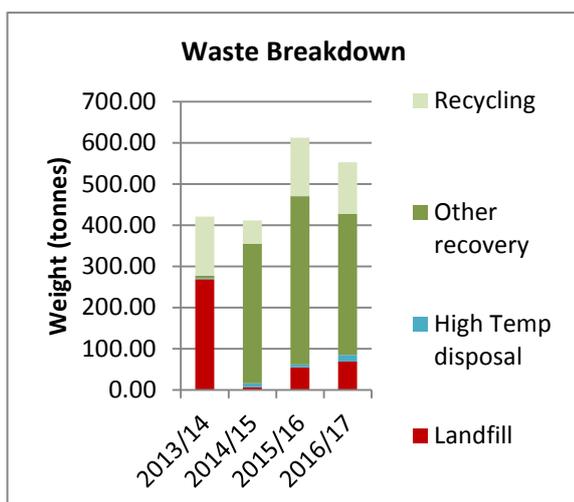
Performance

We have developed a dedicated managed space to store surplus furniture and equipment. This has allowed the Facilities Directorate, in partnership with the Procurement Team, to promote reuse of our assets; reducing the cost of supplying new goods and the indirect cost of removal and disposal of equipment.

A process for the safe and legally compliant storage, transportation and disposal of fluorescent light tubes and lamps has been established. The service can be accessed free of charge through one of our suppliers based on the same industrial estate as our Facilities Directorate, thus reducing travel costs and time.

A process has been established for the cleaning of external as well as internal waste hold healthcare waste wheelie bins with Healthcare Environmental (HE), our waste management contractor. An agreement has been entered into for HE to visit all relevant Trust sites twice a year to exchange healthcare waste wheelie bins in situ for clean bins. Wheelie bins will then be cleaned off site at the supplier premises. The first roll out of this programme has been completed.

Commentary

We are working on the development of a Sustainable Procurement Strategy.

We are also reviewing current food wastage and considering options for alternative disposal and to meet any revised legislative requirements which may be implemented.

Our contract for the supply of collection and disposal of trade and recycling waste is due for renewal this year. We are reviewing with the Procurement Team the merit of adopting a framework agreement for the collections of all waste streams including confidential waste, clinical, hazardous and WEEE (Waste Electrical and Electronic Equipment).

In alignment with the above, waste flow mapping will be carried out to understand where and how waste (including consumables, water, energy etc.) occurs, how it is moved within the Trust (e.g. collection of cardboard) and how much it is truly costing. This should enable opportunities to focus on where savings can be achieved. For example optimising waste collection schedules, movement of waste budgets etc.

We are establishing closer links between the Facilities Directorate and the Procurement Team to promote reuse; potential to review how we process 'waste' electrical and non-electrical equipment at President Park. The aim is to establish a redistribution network within the Trust to catalogue and advertise equipment available. Wherever equipment cannot be reused within the Trust we will be able to review the merits of developing a process for alternative reuse e.g. loan/give to other local NHS Trusts or charitable donation to benefit our local communities.

We are supporting the IMST Directorate with a formal process for IT equipment reuse and compliant disposal. This year IMST has set up an agreement with Revive IT, a company who will safely and legally collect redundant IT equipment, destroy data and reuse and recycle all available components, allowing the Trust access to a truly zero waste disposal route for this waste stream.

We are also establishing a formal and compliant process for the disposal of hazardous substances within the Facilities Directorate e.g. waste paints, solvents, pesticides, cleaning chemicals etc.

Finite resource use – Water

Water		2013/14	2014/15	2015/16	2016/17
Mains	m^3	51,864	41,762	45,290	49,386
	tCO$_2$e	47	38	41	45
Water & Sewage Spend		£134,796	£119,344	£78,849	£143,472

Modelled Carbon Footprint

The information provided in the previous sections of this sustainability report uses the ERIC returns as its data source. However, we are aware that this does not reflect our entire carbon footprint. Therefore, the following information uses a scaled model based on work performed by the Sustainable Development Unit (SDU) in 2009/10. More information available here: http://www.sduhealth.org.uk/policy-strategy/reporting/nhs-carbon-footprint.aspx

Resulting in an estimated total carbon footprint of 5,597 tonnes of carbon dioxide equivalent emissions (tCO$_2$e). We are unable to include the figure for our carbon intensity per pound in this report as we are awaiting final data. This information will be included in the ERIC (Estates Return Information Collection) submitted to the Department of Health later in 2017. Average emissions for mental health and learning disability services is 160 grams per pound.

Category	% CO$_2$e
Energy	82%
Travel	17%
Procurement	1%
Commissioning	0%
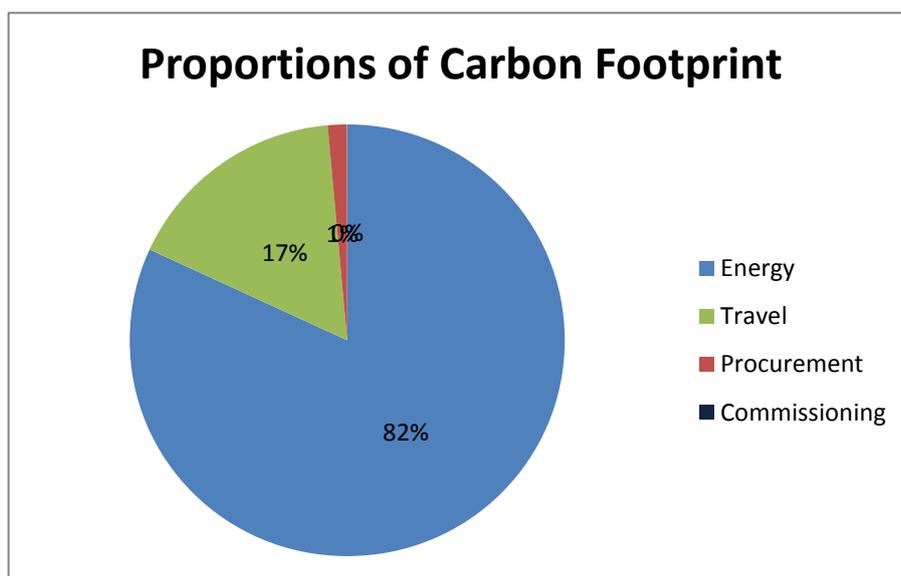
Organisation Carbon Emissions Profile

Carbon Emissions (tCO$_2$e)
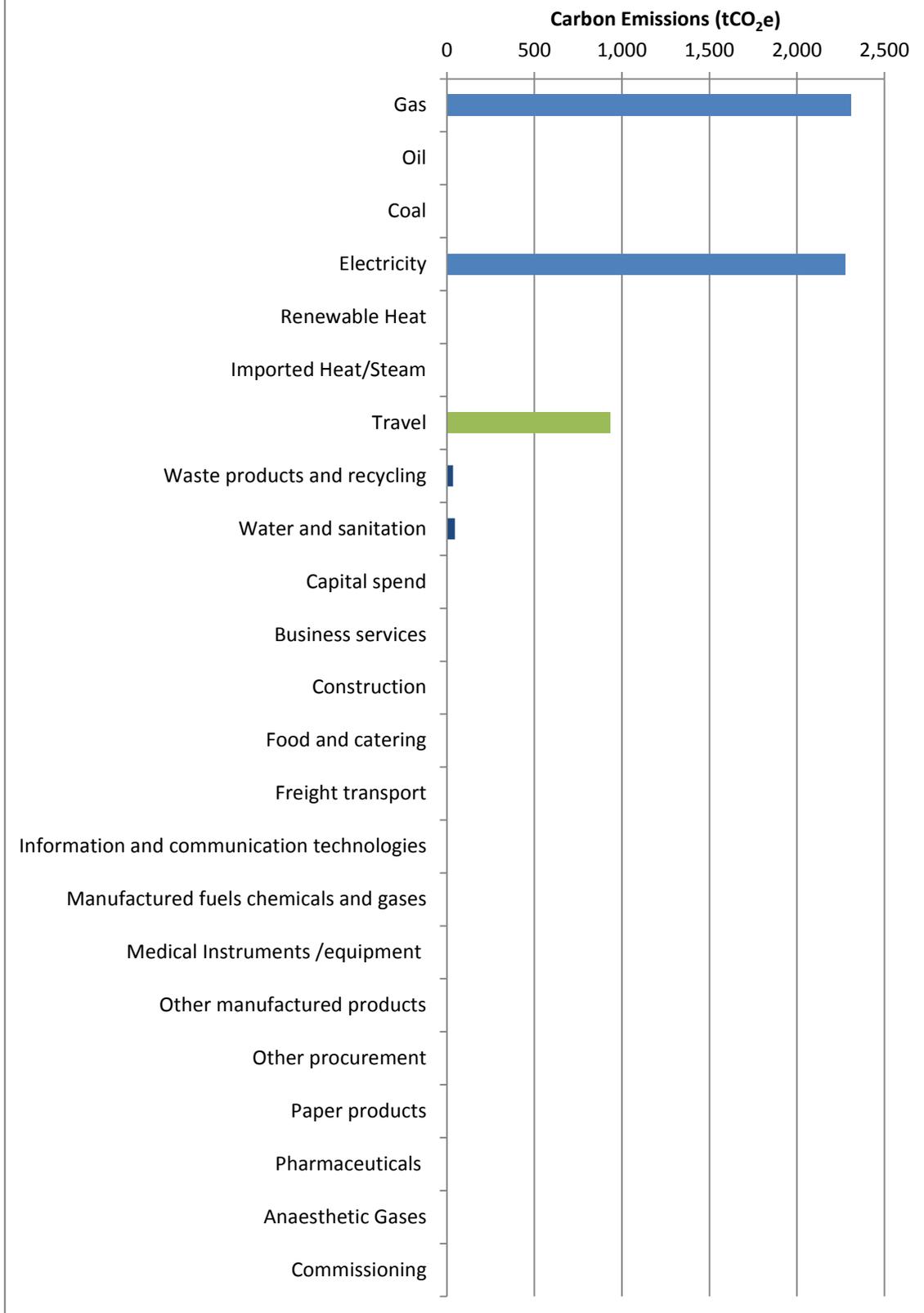
Modelled trajectory

As outlined in our SDMP, we are committed to our contribution to the remaining systemwide 28% reduction in carbon emission required to meet the legally binding national 2020 Climate Change Act target. Building on what we have achieved so far some of the initiatives we are working towards which should have a positive impact on our Carbon Footprint are:

- Refurbishment of our Longley Centre Site;
- Disposal of our Trust Headquarters (Fulwood House) and the relocation of affected staff to an alternative location;
- Continued review and trial of "green" fleet options, including electric and dual fuel vehicles;
- Development of staff active travel plan and promotion of E-Conferencing;
- Embedding carbon literacy within our financial mechanisms and continued development of a Sustainable Procurement Strategy;
- Development of a strategy for how we monitor and target energy use across the Trust;
- Development of a strategy for how we monitor and target waste production across the Trust applying the principles of the waste hierarchy.

Carbon Footprint
CO_2e baseline to 2020 with Climate Change targets
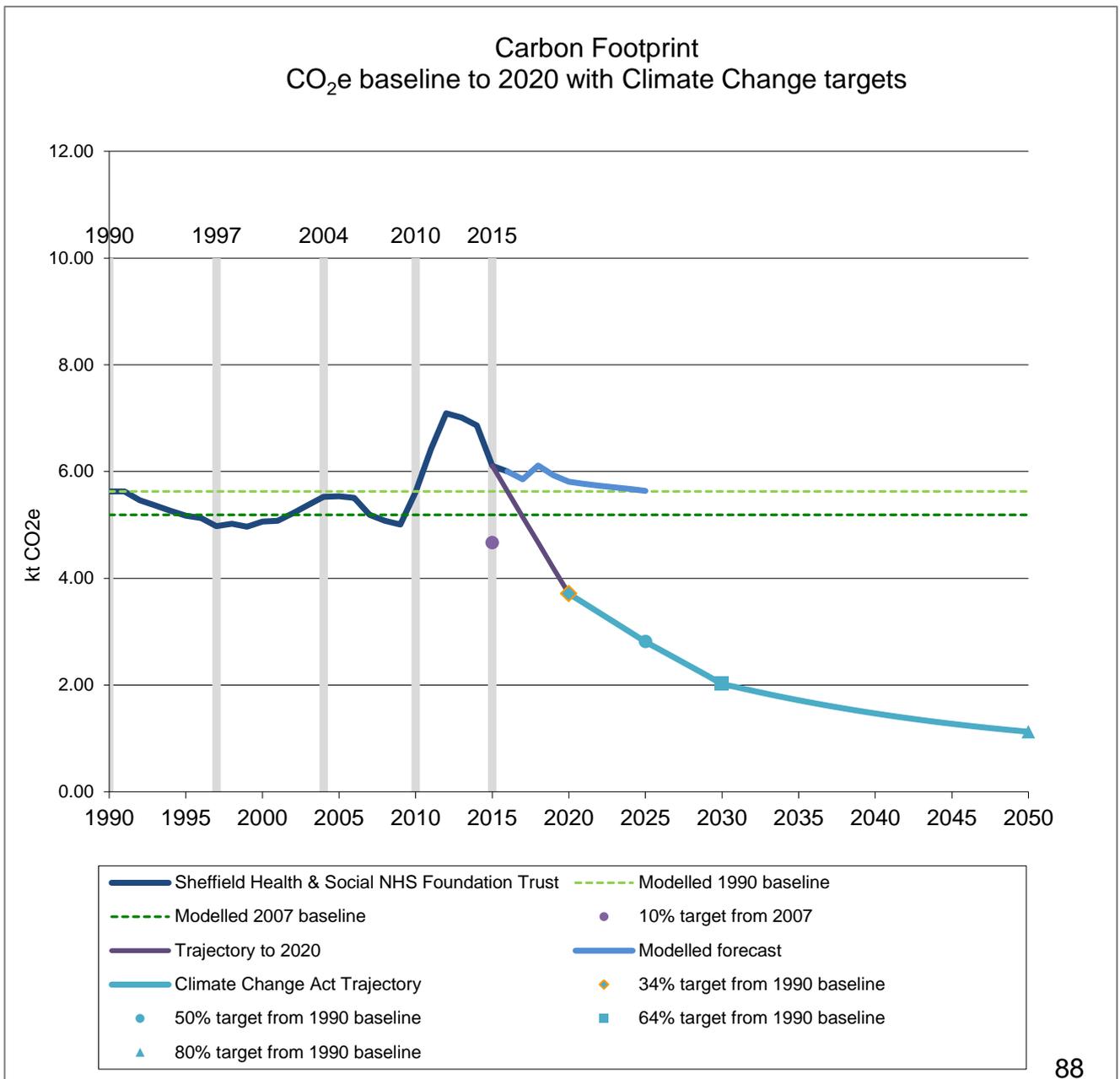
Benchmarking

Since the Board of Directors approved our SDMP in 2015 we have made good progress on our carbon reduction strategy and a poised to meet our target of 15% reduction of carbon by 2017/18. We have built on the optimisation, and will continue to, of our Building Management System. As mentioned previously the majority of our Estate now had upgraded LED lighting. Zoning of areas has been installed in appropriate areas to improve comfort and resilience. The impact of staff vacancies within the Facilities Directorate may have had a negative impact on progress to reduce carbon as limited time has available to promote the strategy and engage with Trust colleagues to encourage behaviour change. This will be a focus for 2017/18. In addition, the Trust has prioritised a reduced cost in energy tariffs rather than sourcing a green energy tariff. Tariffs are due for review again in the next financial year and we hope to improve on the proportion of green energy supply to the Trust. If this is not successful, we are confident that gains can be made reducing our overall energy consumption through staff training, improving building energy efficiency etc.

Organisation Carbon Footprint by Operating Expenditure ($gCO_2e/£$)
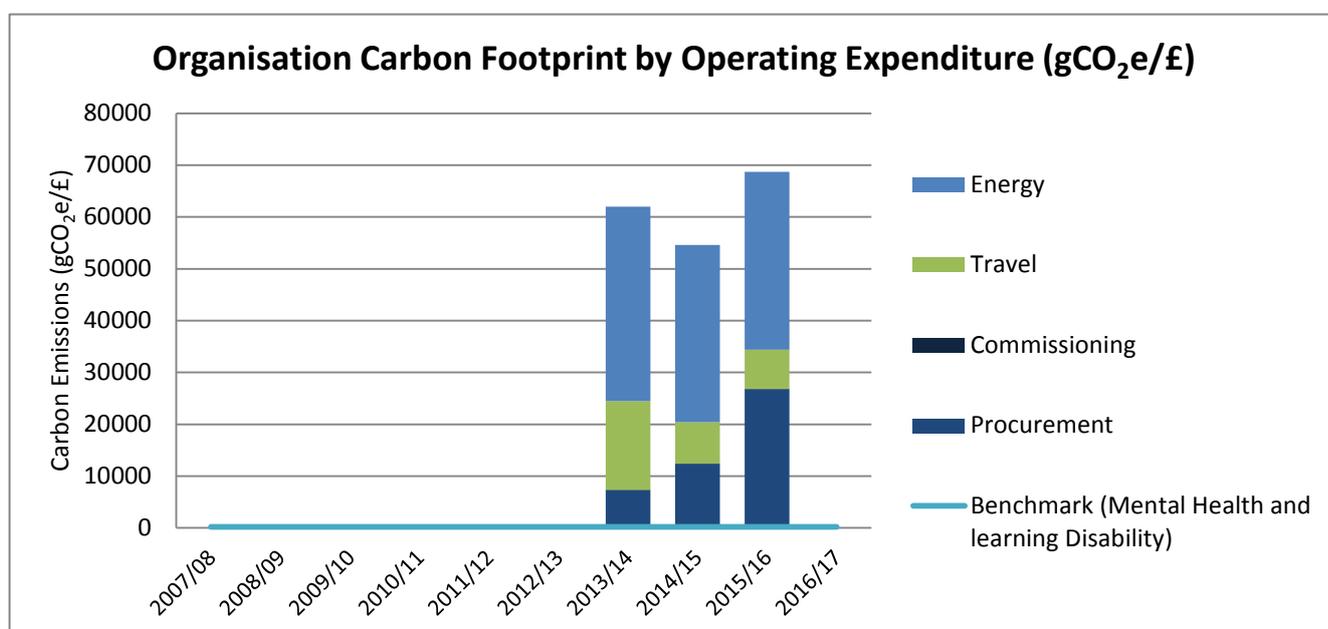
Good Corporate Citizen

One of the ways in which we measure our impact as an organisation on corporate social responsibility is through the use of the Good Corporate Citizenship (GCC) tool. See our SDMP for further details at: http://shsc.nhs.uk/wp-content/uploads/2015/08/Sustainable-Development-Management-Plan.pdf

Adaptation

Events such as heatwaves, cold snaps and flooding are expected to increase as a result of climate change. To ensure that our services continue to meet the needs of our local population during such events we have developed and implemented a number of policies and protocols with other local agencies, these include:

- Adverse Weather & Other Emergency Conditions Policy;
- Major or Critical Incident Policy;
- Heat Wave Plan;
- Fuel Disruption Plan;

- Formation of the Trust Emergency Planning Group (TPEG)- a group who will declare and manage the Trust's response to any citywide emergency that affects our ability to meet statutory obligations.

All the data within the Sustainability Report is subject to verification for the ERIC (Estates Return Information Collection) submitted to the Department of Health later in 2017.

This Accountability Report has been approved by the Directors of Sheffield Health and Social Care NHS Foundation Trust.
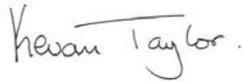
Kevan Taylor
Chief Executive
26 May 2017

Section 4.0 Quality Report

Part 1: Quality Report 2016/17 Chief Executive's welcome

I am pleased to present the Sheffield Health and Social Care NHS Foundation Trust Quality Report for 2016/17.

This Quality Report is our way of sharing with you our commitment to achieve better outcomes and deliver better experiences for our service users and their carers. We will report the progress we have made against the priorities we set last year, and look ahead to the areas we will continue to focus on for the coming year.

At the end of March 2017 the Care Quality Commission (CQC) reported on their findings following their comprehensive inspection of some of our services in November 2016. The Trust was assessed as 'Good'. This was upgraded from a 'Requires Improvement' rating following their inspection in October 2014 and report of June 2015.

We are all delighted that the Trust is now rated as 'Good' overall as it reflects the significant progress made since the last inspection two years ago. I am very proud of the way that everyone involved in the Trust – staff, service users, carers, volunteers and Governors - have worked together to bring about this improvement. It is a testament to all their hard work and dedication.

Eight of our ten core services are now rated as 'Good'. All our services were 'Good' or 'Outstanding' in the caring and responsive domains. The effective and responsive domains improved from 'Requires Improvement' to 'Good' since the last inspection. Three of the five social care locations also inspected this year improved from 'Requires Improvement' to 'Good'.

However, while there is much to be proud of in the inspection reports, we know we still have more work to do. We know that there are areas where we can do better and we are committed to making further improvements.

We take service user safety very seriously and we have already taken a number of actions in respect of the reports' recommendations. This is discussed in more detail on page 105.

We have made very significant improvements in recent years to services where there were big challenges. We have also made some significant service transformation. Information about these changes is summarised in this Quality Report, and our fuller Annual Report.

Our approach to quality is set out within our Quality Improvement and Assurance Strategy 2016-2022 and the accompanying implementation plan, which is in the process of being refreshed to accommodate the Trust's overall Quality Improvement Plan.

The purpose of the strategy is to develop a culture of continuous quality improvement. The strategy aligns with the Trust's values: delivering care in partnership with staff and service users in a respectful and compassionate culture, and ensuring we are all accountable for delivering excellent care as a learning organisation.

Our ambition is to provide excellent services that deliver a really positive experience for the people who need them. We still have work to do to ensure the quality of what we provide is of a consistently high standard for every person in respect of safety. Our plans for quality improvement will ensure we make continued improvements.

In publishing this Quality Report the Board of Directors have reviewed its content and verified the accuracy of the details contained in it. Information about how they have done this is outlined in Annexe B to this report.

To the best of my knowledge the information provided in this report is accurate and represents a balanced view of the quality of services that the Trust provides. I hope you will find it both informative and interesting.
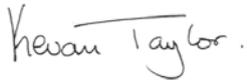
Kevan Taylor
Chief Executive

Part 2A: A review of our priorities for quality improvement in 2015/16 and our goals for 2016/17

In setting our plans for 2016/17 we reviewed our priorities for quality improvement. The people who use our services and the membership of our Foundation Trust have been instrumental in deciding what our priorities are.

In undertaking this review the Board of Directors
- reviewed our performance against a range of quality indicators;
- considered our broader vision and plans for service improvement;
- continued to explore with our Council of Governors their views about what they felt was important;
- engaged with our staff to understand their views about what was important and what we should improve.

We then consulted on our proposed areas for quality improvement with a range of key stakeholders. These included our local Clinical Commissioning Group, Sheffield City Council and Healthwatch.

Our Governors engaged with our members about our proposed priorities and we have received comments and feedback from more than 300 members about priorities we proposed for this year. From this review the Council of Governors has reviewed our plans and we have taken on board their feedback.

In compiling this year's Quality Report we also met with Governors to review the draft Report. Governors provided their views and feedback on the content of the Report, ensuring the Report represented a balanced picture of the Trust's performance based on their knowledge and experience of working as Governors over the last year.

Our priorities for improvement during 2016/17 were:

Responsiveness   **Quality Objective 1**: We will improve access to our services and treatment;

Safety   **Quality Objective 2**: We will improve physical health outcomes;

Experience   **Quality Objective 3**: We will improve experience through service user engagement and feedback.

Quality Objective 1: We will improve access to services and treatment

We chose this priority because
The evidence clearly demonstrates that prompt access to effective treatment has a significant impact on outcomes. When we met with our Governors this was a key area of concern for them. They wanted us to ensure that people were seen quickly when they needed to be. Improving access is an area prioritised by our Commissioners and they are supportive of improvement and service reconfigurations to help us achieve this.
We had started to make improvements in reducing waiting times over the past few years, but we knew that we still had more to do. National Policy for mental health services is seeing the establishment of a range of *Achieving Better Access* standards for mental health services. Uniquely for the NHS these standards don't just focus on waiting times to see someone, but waiting times for service users to access and start receiving evidenced based treatments and therapies. This is a challenging agenda, but one that the Trust welcomes and fully supports.

We said we would
At the beginning of the year we agreed that we would continue to focus on waiting times to access services. During 2016/17 we planned to:
- Exceed national standards for IAPT and Early Psychosis;
- Improve access to urgent and crisis services , ensuring effective access over the 7 day period;
- Provide access to a health based place of safety for people detained under section 136;
- Improve access to memory services;
- Improve access and support for people with substance misuse problems;
- Increase the number of people who have a care and treatment review;
- Reduce durations in in-patient care to a minimum.

How did we do?
We have made real improvements in reducing waiting times and achieving national targets for Memory Services, IAPT Services and Early Intervention Services.

Memory Services
We continue to deliver excellent Memory Services for the people of Sheffield. Over the past, waiting times for the memory service had been unacceptably high. This had been a shared concern with our local Commissioners and a number of initiatives over the last three-four years have been introduced.

We are delighted to report that improvements throughout 2015/16 in reducing waiting times have continued and have been sustained at a steady rate during 2016/17. The care pathway and referral management arrangements have been reviewed and all waiting lists backlogs have been cleared. While we were beginning to see the impact of these improvements during 2015/16, with people beginning to wait around 6.5 weeks (from an average of 23 weeks during 2014/15), we have continued to improve this during 2016/17 and have consistently achieved an average of people waiting 3.9 weeks throughout the year.

Measure	2015/16	2016/17

Number of people assessed for memory problems by memory management services (new first appointments)	1,231	1,201
Average waiting time for people to be assessed by the memory management service for a routine appointment	13 weeks (2015/16) 6.5 weeks (Oct15-Mar16)	Q1 - 3.9 weeks Q2 – 4.1 weeks Q3 – 3.8 weeks Q4 – 3.8 weeks

Improving Access to Psychological Therapy (IAPT) Services

The focus on reducing waiting times for the IAPT Service over previous years had been successful in reducing the average waiting times across Sheffield, as well as reducing certain GP practices waiting times, where they were experiencing longer that average waiting times. In 2015/16 national access targets for mental health services were introduced for the first time. The national target was for 75% of people referred to IAPT Services to commence treatment within six weeks of their referral, and for 95% of people referred to commence treatment within 18 weeks.

National Target	2015/16			
Percentage accessing treatment within 6 weeks of referral (target is 75%)	Q1 n/a	Q2 n/a	Q3 76.7%	Q4 75.6%
	2016/17			
	Q1 77.4%	Q2 87.9%	Q3 89.2%	Q4 90.1%
Percentage accessing treatment within 18 weeks of referral (target is 95%)	2015/16			
	Q1 n/a	Q2 n/a	Q3 97%	Q4 98.1%
	2016/17			
	Q1 98%	Q2 99.5%	Q3 99.5%	Q4 98.8%

As is clearly shown in the tables above, our IAPT Services are performing very well and are exceeding both national targets. We are seeing more people than the national averages, which means our referral pathway and close working with GPs is ensuring that more people who could benefit from talking therapies are being referred. People are accessing services quickly, which is important, average waiting times continue to come down, and we are ensuring that the majority of people are starting treatment quickly.

We re-launched our IAPT Services in May 2016 to enhance service user choice and further improve access. Service users can now access the IAPT Service at their GP practice as

well as being able to self-refer. Online booking onto stress control and improving wellbeing sessions is also now available.

Early Intervention for Psychosis Services
The Early Intervention for Psychosis access and waiting time standard has two elements:
- 50% of people with a first episode of psychosis are assessed and on the caseload of an Early Intervention care coordinator with two weeks of being referred;
- 100% of people with a first episode of psychosis are able to access NICE-recommended treatment in an Early Intervention service, as defined by the relevant NICE Quality Standard.

The target was introduced from Q4 onwards in 2015/16 and last year the Trust Board invested more than £500,000 to improve the numbers of care coordinators and therapists working into a newly organised Early Intervention Service. This ensured we were able to establish effective service pathways to respond to new referrals quickly.

During the year we achieved the new standard for people with a first episode of psychosis being assessed and on the caseload of an Early Intervention care coordinator within two weeks. We achieved this for 57% of the people we saw.

Health Based Place of Safety
In November 2016 we increased our provision of our health based place of safety. The Place of Safety is a city wide service that has been provided since 2006 and provides a safe place for mental health assessments to take place for people found by the police in a public place who appear to need immediate care or control and have been detained under Section 136, Mental Health Act.

Our provision has increased from one to two beds and the suite has been renovated to provide a more comfortable and safer environment for people who are detained there.

Reduce Duration of In-patient Care
A key goal within our in-patient services this year was to reduce the length of time that people stayed within these facilities. Our analysis of this illustrates significant decreases in this during the year. Further information is contained in the 'Effectiveness' section within this report.

How will we keep moving forward?
- We will continue to maintain our current performance levels across Memory Services and IAPT Services and improve our performance within our Early Intervention Services;
- We will focus on our Liaison Services and Crisis Services to ensure we are well placed to deliver the next set of Achieving Better Access standards;
- We will finalise a standardised approach to reporting on waiting times for all other services and commence reporting during early 2017/18.

Quality Objective 2: We will improve physical health outcomes

We chose this priority because
Physical health was a priority for our Governors and service users, as many of our service users are at higher risk of developing physical health problems. The evidence clearly shows that people with severe mental illness and people with learning disabilities have reduced life expectancy and greater morbidity, as do people who are homeless and people who misuse drugs and alcohol.

The need to deliver continued improvements in this area is key priority across health and social care in Sheffield, to help deliver improved outcomes and achieve a reduction in the gap in life expectancy for people with serious mental health illnesses and people with a learning disability. As we developed our plans our clinicians have told us this was a key area they wished to focus on to deliver improvements. We know from reviewing progress against our physical health strategy and national audits that we have further improvements to make.

We said we would
Continue our development plan, focussing in particular on the following areas:
- Assess the physical health needs of people receiving care

How did we do?
We have made good progress in some of our development priorities, however it is clear that we still have further work to do to ensure that standards of practice are delivered consistently.

Improving communication with GPs about care of people on CPA
As part of the national CQUIN programme we aimed to deliver a range of practice standards for people who have serious mental health problems and whose care is managed under the Care Programme Approach. The standards aim to ensure we are communicating clearly and effectively with GPs about the physical and mental healthcare needs of people we support. This year's national audit shows that we have further improvements to deliver. While we perform better in delivering practice standards relating to diagnosis, care planning and medications, we need to improve our communication regarding physical health screening and observations.

Standard	% achieved
NHS Number	98%
Primary and secondary mental and physical health diagnoses	68%
Medications prescribed and recommendations	73%
Monitoring and/or treatment needs for cardio-metabolic risk factors identified	15%
Care Plan or discharge plan	78%

Improving physical health assessments for people with a serious mental illness receiving mental health in-patient care and community based care

As part of the national CQUIN programme we aimed to deliver a range of practice standards for people who have serious mental health problems who are in-patients on a mental health ward or receiving treatment in the community.

The standards aim to ensure that we are effectively screening and assessing the physical health care needs of our in-patients, and then taking appropriate actions if the results suggest a need to do so.

Overall we achieved an average of 98% for assessing and screening within our in-patient services and 64% for our community services. For the necessary interventions to be undertaken, following screening, we achieved 99% within our in-patient services and 68% for our community services. This continues to be an area for improvement as we move into 2017/18 as we strive to ensure our service users are receiving the necessary screening checks and that interventions are recorded accurately within our care planning arrangements.

In-patients Standard – assessment and screening	% achieved or evidence of service user refusal
Smoking circumstances	98%
Alcohol use	98%
Substance misuse use	98%
BMI measured	100%
BP measured	100%
Glucose levels measured	96%
Lipids recorded	96%

In-patients Standard – evidence of physical health interventions when required/indicated	% achieved or evidence of service user refusal of treatment intervention
Smoking circumstances	94%
Alcohol use	100%
Substance misuse use	100%
BMI measured	100%
BP measured	100%
Glucose levels measured	100%
Lipids recorded	100%

Community Services Standard – assessment and screening	% achieved or evidence of service user refusal
Smoking circumstances	78%
Alcohol use	63%
Substance misuse use	72%
BMI measured	47%
BP measured	58%
Glucose levels measured	69%
Lipids recorded	64%

Community Services Standard – evidence of physical health interventions when required/indicated	% achieved or evidence of service user refusal of treatment intervention
Smoking circumstances	56%

Alcohol use	56%
Substance misuse use	79%
BMI measured	50%
BP measured	75%
Glucose levels measured	63%
Lipids recorded	100%

Our performance overall in delivering each standard for each patient was 51% achievement of all the standards.

How will we keep moving forward?
We will continue with our development programme ensuring over the next year that we:
- Continue to implement a range of supporting programmes relating to staff awareness and training, team feedback on their own performance, to improve our compliance with care standards relating to physical health;
- Continue to progress a range of other important physical health initiatives in relation to smoking and alcohol as required within our CQUIN programme.

Quality Objective 3: We will improve experience through service user engagement and feedback

We chose this priority because
Understanding the experiences of the people who use our services is essential if we are to be successful in achieving quality improvement. When discussing priorities for the Trust, our Governors told us that we should continue to support staff to have an appreciation and awareness of what it is like to receive care and to improve how we gather feedback about people's experiences. The Board of Directors invested in the establishment of a service user monitoring unit within the Trust, which is led by a service user. This department supports the implementation of our Service User Engagement Strategy and improves our understanding of the experience of the people who use our services.

We said we would
Continue our development plan, focussing in particular on the following areas:
- Further development of approaches to regular monitoring of service user experience;
- Embed collaborative care planning;
- Reduce restrictive practices.

How did we do?
The Board of Directors agreed an additional investment of £100,000 during the year to further develop the functioning of the service user monitoring unit within the Trust. An additional Engagement Manager has been recruited and a further post is currently being recruited to lead the implementation of our Service User Engagement Strategy.

We revised our implementation plan of the strategy, which was approved by the Board of Directors in March 2017.

We have contracted with Care Opinion to strengthen our service user and carer feedback mechanisms and to assist us to easily interpret our feedback. We have continued to increase the level of service user and carer involvement across the Trust.

Here are some of the key developments we have made this year:
- We held a conference in November 2016, following the redesign of our rehabilitation pathway to gain feedback from service users and staff about the changes. The revised pathway has resulted in shorter in-patient stays and joint working with community services;
- We are continuing to encourage more feedback through the Friends and Family Test, which nine out of 10 service users state that they would recommend our services to friends and family (see section 3.3);
- The number of local service user network groups we have running across the Trust has increased this year.

A comprehensive mapping exercise has begun this year to identify and collate levels of service user/carer engagement across all services within the Trust. From the information we have gained so far we can see teams are:
- Promoting the Friends and Family Test;
- Using Fastrack forms;
- Using "You said, we did" boards;
- Having service user membership in Microsystem improvement teams;

- Promoting carer groups;
- Holding drop in sessions for service users and their carers to talk to managers of the services;
- Obtaining regular service evaluations.

Service users are continuing to work with our staff in implementing and embedding collaborative care planning. This has seen positive improvement in service users feeling involved in their care.

The Trust has a Reducing Restrictive Practice Programme which looks at our usage of restrictive interventions across the Trust and considers progress against the Programme. Data for the number of service users who have been restrained and secluded are provided in the table below. The data shows that there has been no reduction in restrictive interventions within the Trust and there has been slow progress implementing actions to reduce restrictive interventions.

Incidences of Restraint		
2014/15	**2015/16**	**2016/17**
447	767	701
Incidences of Seclusion		
2014/15	**2015/16**	**2016/17**
322	335	296

The Trust's plan for reducing restrictive practice includes the implementation of Safewards, Respect training, post incident reviews and improving activity on wards. (Safewards is an evidence based intervention that is proven to reduce restrictive interventions).

How will we keep moving forward?
Following our refreshed strategy implementation plan, we will continue to develop and deliver improvements as set out in our strategy and monitor our performance against this.

We will develop our working with Care Opinion to increase the service user and carer feedback we are receiving and to make real improvements based on the feedback.

The in-patient Directorate will lead and manage the effective implementation of the plan to reduce restrictive interventions. This approach will include a monthly performance meeting where all in-patient wards will be held account to delivery of the agreed project plan within defined timeframes. Effective controls have been introduced to ensure delivery.

Our Quality Objectives for 2017/18

In considering our goals for 2017/18 we have reviewed how we are performing.

The findings from the Care Quality Commission (CQC) inspection
The CQC published the findings from its inspection of Trust services in March 2017. This is summarised in more detail in Section 2B of this report. The Trust's overall rating is 'Good'. Following the CQC inspection, the Board has committed to strengthening its approach to service user safety across the Trust. The Trust will develop a more focussed safety plan that will be incorporated into its Quality Improvement and Assurance Strategy.

National Standards and Priorities
Since the introduction of the Single Oversight Framework, we have maintained our segment rating of 2.

We have exceeded the national access standards for IAPT Services during 2016/17 and have achieved the access standard for people experiencing a first episode of psychosis during 2016/17. Rates of diagnosis for people with dementia remain positive, with Sheffield consistently rated in the top five performing areas within England. We have worked in partnership with our local CCG in Sheffield to deliver care and treatment reviews for people with a learning disability, ensuring that care is delivered in the community as the preferred and first choice.

Commissioning priorities for service developments
The main focus of the current and developing plans for service development across Sheffield, as it relates to the Trust, will be the development of sustainable community care systems that deliver quality care and experiences, positive outcomes and significant reduced demand on acute hospital based services. As part of this programme there will be a focus on mental health and ensuring urgent and crisis care pathways and provision are accessible and effective over the full seven day period.

Commissioning priorities in respect of quality improvement for the services directly provided by the Trust are defined through the agreed CQUIN programme. The agreed areas of focus remain on improving physical health and developing improved outcome measures and experiences for service users.

Quality Improvement Goals
In determining our specific quality improvement goals the Board has been informed by the following considerations:
- We have a clear plan to continue to deliver improvements from the CQC Inspection;
- We currently perform well against the current national standards;
- The strengthened safety focus of our Quality Improvement and Assurance Strategy that is in place.

The Trust has a range of development priorities and actions in place that are focussed on maintaining and improving the quality of care provided. These priorities address our transformation priorities and a range of quality improvement programmes that focus on particular aspects of quality and safety, or build our capacity to deliver high standards of quality care.

We continue to focus on our quality improvement goals in respect of:

- Improving access;
- Improving service user experience, involvement and engagement;
- Improving physical, mental and social wellbeing outcomes for all service users.

Within this programme we have a specific focus on improving safety in respect of improved physical health outcomes and reducing restrictive interventions.

QUALITY GOAL 1: Improving access to services and treatment		
Directorate	**Directorate specific goal**	**Measured by**
Community	Reconfiguration of community services including CMHTs, SORT and Specialist Psychotherapy	Attainment of Achieving Better Access standards • Referral conversation rate • No of people receiving treatment • No of people discharged / re-referred within 90 days.
In-patient	Increasing screening and referral to substance misuse Return people from out of city	Monitor in line with CQUIN reporting
Specialist	Liaison To meet 24/7 Urgent and Emergency Mental Health targets (issued Dec 16).	Liaison access target (achieving Better Access to 24/7 Urgent and Emergency Mental Health care; NHSE, NICE, Dec 2016) • Emergency – response within 1 hour • Assessment completed within 4 hours
	Older Adult Community To increase the number of service users responded to within one working day of referral.	Older Adult Community • Emergency/urgent – response within one working day (7 days a week)
	Specialist Services Work towards 18 week pathway ensuring urgent cases are offered an appointment within 2 to 4 weeks.	Specialist Services Waiting times achieved for urgent and routine cases
	To introduce pre-assessment sessions to inform choice and support consent (gender, aspergers)	
Learning Disabilities	Care and Treatment reviews ensure community care is delivered where possible.	• Number of people who have received a care and treatment review. • Number and % of people who received a care and treatment review prior to admission. • Number and % of people who received a care and treatment review within 2 weeks of admission.
	Improved support and access for people with a learning disability into mainstream mental health services.	Green light for mental health audit.

QUALITY GOAL 2: Improving service user experience, involvement and engagement		
Directorate	**Directorate specific goal**	**Measured by**
Community	Co-produce a local Service User Involvement and Engagement strategy to include major service change, local service improvement initiatives.	Strategy in place and monitored as part of Directorate's governance structures. Evidence of service user engagement in all change programmes.
	Undertake 6 monthly thematic review of Friends and Family Tests, complaints, compliments, incidents and serious untoward incidents	Evidence of embedding of action plans from complaints, incidents and serious untoward incidents, evidence of learning from thematic reviews and demonstrable change has been embedded.
In-patient	To reduce the amount of restrictive practice and to improve service user experience when intervention is needed	To reduce rates of restrictive practice by 20%
	To improve our engagement with service users at the In-patient foru	To improve attendance at Forums, establishing a benchmark and measuring against this
	To have proactive engagement with service users throughout the redevelopment at Longley	Evidence of engagement in a range of forums
	To ensure activity is everybody's business on acute and rehab wards	Service user feedback
	To implement Safewards fully in all teams	Evidence of implementation in each section
Specialist	Service user representatives will be: • Included in membership of service governance meetings or • Included within other alternative forums which include relevant information and discussions • Included in consultations regarding service developments/reconfigurations	Number of services evidencing regular service user representation
Learning Disabilities	Reduce restrictive practices. Develop PBS Academy framework.	Rates of restrictive practices as benchmarked against other local and national services. Audit of % and quality of Alternatives to Restraint Care Plans in relation to

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			people on a Deprivation of Liberty Safeguards. Reduction in length of stay and delayed discharge within Firshill ATS. Reduction in length of stay and delayed discharge within out of area in-patient/locked rehab settings. Adoption and full implementation of Safewards within ATS.
		Service user engagement strategies.	On-going senior representation at SUEG and SUSG. Recording and learning from governance feedback mechanisms (FFT, compliments and complaints, surveys). Increased engagement with service user governor, families and people with lived experience in the coproduction of service level change.
		Service user involvement in developing collaborative care plans and evaluating outcomes. IT support to integrate accessible care plans and WHO-QoL8 into system.	Increased use of PPSP plan and My Care Plan across in-patient and community services. Increased use of WHO-Qol8 across in-patient and community services as an accessible quality of life measure. IT development/Clinical System Review Board.

QUALITY GOAL 3: Improving physical, mental and social wellbeing outcomes for all service users		
Directorate	**Directorate specific goal**	**Measured by**
Community	Review of assessment processes to ensure a holistic assessment is offered to service users in our care. Continue to interface with primary, acute and other secondary and maintain our delegated responsibility of adult social care to support service users in our care in accessing all elements of health and social care services. Use of PROM and PREM where validated. Implement NICE Guidelines when working with individuals with co-existing substance misuse dependency.	Compliance rates with physical health checks and communication to GPs Use of outcome tools Compliance with Dual Diagnosis.
In-patient	Requol quality of life outcome measure	Requol in place across all acute and rehabilitation services
	Physical health booklet and audits	Audits of physical health and of the use of the recovery booklet
	Increased access to activity including access to cardio walls and activity as everybody's business	Cardio wall to be in place at MCC and Longley site in current gyms
Specialist	Minimise risk of falls and reduce falls with harm • Screen for falls within 72 hours of admission and put a falls plan in place • All in-patient staff to be trained in Falls Management Level 1 and 2	Data distributed monthly to in-patient areas -Therapy Services Audit screening and falls plan Training report
	Improve the awareness of good diet in older people and people with dementia. Review the menus provided in the in-patient areas • Screen for malnutrition within 72 hours of admission • Training –all staff trained to use the MUST screening tool	MUST data Provide training at bases – DVD and cascade training

	• Staff training on eating healthy in dementia care in-patient areas	
Learning Disabilities	People with a learning disability will receive an annual health check with their GP and have a health action plan and a hospital passport in place.	Number of people with a health action plan in place who are known to SHSC. Number of people with a hospital passport in place who are known to SHSC.
	Use of PPSP and/or My Care Plan in the community to support a holistic understanding of need aligned to a PBS that maintains health and well-being.	Increased use of PPSP plan and My Care Plan. Increased use of WHO-Qol8 across in-patient and community services as an accessible quality of life measure.

Quality Assurance - How do we improve, monitor and assure ourselves about the quality of the services and care we provide

Our Approach to Quality Improvement

As part of our review and learning from the Care Quality Commission inspection we are strengthening our safety focus within our Quality Improvement and Assurance Strategy.

The purpose of the strategy is to develop a culture of continuous quality improvement by:
1. Delivering quality by creating the conditions for all our staff and every team to engage successfully in quality improvement underpinned by effective team governance;
2. Ensuring measurable quality objectives are agreed across the organisation;
3. Ensuring effective, supportive and responsive trust governance and assurance systems;
4. Having clear arrangements to support delivery and accountability;
5. Ensuring we have accurate and appropriate information available about the quality of care provided at all levels.

Our Strategy is available on our website and our revised implementation plan will be available there, following approval by the Trust Board.

Quality Governance arrangements
In order to ensure quality, the Trust's governance arrangements are summarised as follows:

Board of Directors: Sets the Trust's strategic aims and ensures the necessary supporting strategies, operational plans, policy frameworks and financial and human resources are in place for the Trust to meet its objectives and review its performance. Receives assurance reports on compliance with CQC standards, as well as the improvements necessary to achieve quality services.

Quality Assurance Committee: Brings together the governance and performance systems of the Trust in respect of quality. The Committee provides oversight of Trust systems in work of a range of committees that oversees Trust systems and performance in respect of key matters relating to quality and safety. Receives assurance reports on compliance with CQC standards as well as the improvements necessary to achieve quality services.

Audit Committee: Reviews the existence and maintenance of an effective system of integrated governance, risk management and internal control Trustwide.

Executive Management Team: Oversees the operational functioning and delivery of services and programme management oversight of key transformation and improvement projects. The Medical Director is the Trust's Executive lead for quality improvement. Oversees the development and implementation of Trustwide compliance plans.

Service User Safety Group: Monitors the Trust's performance around incident management including serious incidents, learning from incidents, Trust mortality, the patient safety thermometer, infection prevention and control, falls, restrictive practices and all matters of patient safety.

Clinical Effectiveness Group: Establishes our annual clinical audit programme (which includes national and locally agreed clinical audits), oversees the implementation of NICE guidance and embeds the routine use of outcome measures in clinical services.

Service User Engagement Group: Improves the quality of service user quality and experience, ensures that service user experience drives quality improvement and enables the clinical directorates to enhance how they engage with service users.

Systems of Internal Control: A range of policy and performance management frameworks (at individual and team level) as well as internal controls are in place to protect and assure the safety of care and treatment and the delivery of quality care in line with national policy and legislation.

The Trust triangulates service performance across a range of indicators relating to care standards, quality, workforce and finance at service, Directorate and Trust wide level. Further developments are to be made within 2017/18 to implement a business intelligence system that provides real-time quality information to front line teams

The Board's monthly and annual performance reporting processes ensure that the Executive Management Team are able to scrutinise and manage the operational performance of services and the Board to maintain overall oversight on the performance of the Trust. On an established bi-annual cycle, the performance of all services are reviewed through Directorate-level Service Reviews. The Executive Team reviews with each operational directorate their performance against planned objectives.

The above framework ensures that the Board of Directors is able to monitor and evaluate the performance of the Trust and its services and to initiate improvement actions were required.

The following information is publicly available and provides more information about quality governance arrangements within the Trust.

Annual Governance Statement: Formal statement from the Board that defines the systems and processes in pace across the Trust. See our full Annual Report.

Board Assurance Framework: Defines the controls and actions in place to assure the Board that risks to the delivery of goals and objectives are in place and monitored. Available on the Trust's website.

Board Performance reports: A range of monthly and quarterly reports defining current performance. This will include the monthly progress report of the action plan following the CQC inspection. These are available in the Board Section of the Trust's website.

Strengthening our assurance processes
Following the plans put in place for 2016/17, we are continuing to build on these into 2017/18 and beyond.

We identified the areas below as key areas to enable us to improve our quality governance arrangements and these continue to be our focus from 2017/18 onwards:
- Peer Review and Self Inspection – Continue to build capacity and capability across the Trust by which to self-inspect our services and ensure compliance with quality standards (CQC, MHA,MCA,EMSA);

- Enabling service user engagement in our quality improvement projects – Ensuring that service users are enabled and supported to contribute to Microsystems projects within teams;
- Team Level Information Needs – Implementation of a business intelligence system to provide real-time quality information to front line teams.

To deliver our strategy, it is essential that staff have the ability to engage with improvement techniques. While we will use a range of quality improvement techniques as appropriate, the core Trustwide approach that we will use will be Microsystems improvement methodology.

There are currently 29 teams across the organisation actively working with a dedicated Microsystem coach. A total of 31 coaches from the Trust will have completed their Microsystem coach training by July 2017, 18 of these remain active coaches.

In February 2017, the Trust's dedicated Quality Improvement (QI) Team delivered its first in-house Sheffield Microsystem Coaching Academy (MCA) 2 Day Improvement Course, which attracted 30 members of staff from a variety of clinical, managerial and front-line and Sheffield MCA websites.

Over the forthcoming months, the QI Team will continue to increase the number of coaches and teams engaged within the Trust, ensure consistency through coach peer support and supervision, expand service user and carer engagement and share outcomes, learning and best practice.

Part 2B Mandatory statements of assurance from the Board relating to the quality of services provided

2.1   Statements from the Care Quality Commission (CQC)
Sheffield Health and Social Care NHS Foundation Trust is required to register with the Care Quality Commission and our current registration status is registered without conditions and therefore licenced to provide services.

The CQC registers, and licenses the Trust as a provider of care services as long as we meet fundamental standards of quality and safety. The CQC monitors us to make sure we continue to meet these standards.

The Care Quality Commission has not taken enforcement action against the Trust during 2016/17 and the Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

The CQC carried out a well-led review of the Trust in May 2016, following its previous comprehensive inspection in October 2014. Following this review, the Trust remained 'Good' in the well-led domain.

During 2016/17 we made changes to our registration in respect of Longley Meadows and Hurlfield View, due to the Local Authority changing its preferred provider. We also became the registered provider of Clover City Practice, a primary medical service (GP practice) we run in partnership with Primary Care Sheffield.

Planned Inspection reported in March 2017
In March 2017 the CQC published its findings from the second comprehensive inspection of services that took place in November 2016. They inspected the following mental health, learning disability, substance misuse and primary medical services that we are registered to provide:
- Acute wards for adults of working age and psychiatric intensive care unit;
- Long stay/rehabilitation mental health wards for working age adults;
- Forensic in-patient / secure wards;
- Wards for older people with mental health problems;
- Wards for people with a learning disability or autism;
- Community-based mental health services for adults of working age;
- Mental health crisis services and health based places of safety;
- Community-based mental health services for older people;
- Community mental health services for people with a learning disability or autism;
- Substance Misuse Services.

As part of this comprehensive inspection, they inspected the primary medical services that we are registered to provide under Jordanthorpe Health Centre.

Overall they assessed our Trust as 'Good', which is an improvement from our previous rating of 'Requires Improvement' in June 2015. The inspectors found many areas of good practice and received many positive comments about care from service users and carers, in particular our engagement with service users was described as outstanding and both staff and services were identified as being caring and responsive.

However, the Trust did receive 'Requires Improvement' in the 'safe' domain. Issues relating to our seclusion rooms and how we manage ligatures were areas identified as areas requiring improvements.

The following services were also inspected as part of the CQC's social care inspection regime during 2016/17:
- Longley Meadows respite service for people with learning disabilities;
- Hurlfield View community centre for older people with dementia;
- Woodland View Nursing Home;
- 136 Warminster Road respite service for people with learning disabilities;
- Supported living services for people with mental health problems at Wainwright Crescent respite service.

Three out of the five social care services inspected this year improved from 'Requires Improvement' to 'Good' (Woodland View Nursing Home, 136 Warminster Road and Wainwright Crescent).

It is one of our key ambitions to continuously improve our approach to working with service users and learning from their experience of care. We remain, as always, committed to providing high quality health and social care services. We believe we are providing a good standard of care but we know we both can and need to make further improvements. We will use the inspection reports to further drive our quality improvement work forward.

Our action plan
Some of the actions we have taken following the inspection are provided below:
- Introduction of ligature risk reduction bedrooms;
- Introduced CCTV in seclusion rooms;
- Improved monitoring of physical observations;
- Looked at our staffing, management and leadership on our rehabilitation wards.

We still have a number of areas to work on as we strive for excellence across the organisation and we will continue to develop our work with other Trusts, to learn from others and share good practice in this area.

The Trust Board will monitor progress against our improvement plan each month. We are confident that the actions we are taking will ensure that are well placed to deliver on our ambition to provide excellent services that deliver a really positive experience for the people who need them.

We have much to do to ensure the quality of what we provide is of a consistently high standard for every person in respect of safety. Our plans for quality improvement, outlined in Section 2A, will ensure we make continued improvements.

Overall Trust rating from the inspection

Inspection area of focus	Rating
Safety	Requires Improvement
Caring	Good
Responsiveness	Good
Effectiveness	Good
Well Led	Good
Overall Trust Rating	**Good**

Individual Service ratings

Health care services	Rating
Acute wards for adults of working age and psychiatric intensive care unit (Rowan, Maple, Stanage, Burbage, Endcliffe)	Good
Long stay/rehabilitation mental health wards for working age adults (Forest Close and Pinecroft)	Requires Improvement
Forensic in-patient / secure wards (Forest Lodge)	Good
Wards for older people with mental health problems (G1 and Dovedale)	Good
Wards for people with a learning disability or autism	Good
Community-based mental health services for adults of working age (Adult CMHT's)	Good
Mental health crisis services and health based places of safety (Place of Safety on Maple Ward)	Requires Improvement
Community-based mental health services for older people (Older Adult CMHTs)	Good
Community mental health services for people with a learning disability or autism (CLDTs)	Good
Substance misuse services	Good
Social Care services	**Rating**
Longley Meadows respite service for people with learning disabilities	Requires Improvement
Hurlfield View community centre for older people with dementia	Good
Woodland View Nursing Home	Good
136 Warminster Road respite service for people with learning disabilities	Good
Supported living services for people with mental health problems at Wainwright Crescent respite service	Requires Improvement

The issues raised at Longley Meadows and Wainwright Crescent relate to monitoring systems, medication practices and practices relating to consent. Action plans were developed to address these issues. (It should be noted that Longley Meadows has since closed, as has been reported earlier in this report).

Mental Health Act reviews
During 2016/17 the CQC has undertaken eight visits to services to inspect how we deliver care and treatment for in-patients detained under the Mental Health Act. They have visited the following services:
- Michael Carlisle Centre: *Stanage Ward, Burbage Ward;*
- Longley Centre: *Maple Ward;*
- Forest Close: *Bungalow 1a;*
- Forest Lodge: *Assessment Ward;*
- *Pinecroft Rehabilitation Service;*
- *G1 Dementia Ward;*
- *Firshill Rise: Learning Disability in-patient unit.*

2.2   NHS Improvement's Assessment

On 01 April 2016 Monitor became part of NHS Improvement. NHS Improvement is responsible for overseeing NHS Foundation Trusts, NHS Trusts and independent providers, helping them give patients consistently safe, high quality, compassionate care within local health systems that are financially sustainable.

During the year, Monitor's risk assessment framework has been superceded by the Single Oversight Framework (from 01 October 2016). The Single Oversight Framework is designed to help NHS providers attain, and maintain, Care Quality Commission ratings of 'Good' or 'Outstanding'. The Framework doesn't give a performance assessment in its own right.

The Framework helps NHS Improvement identify NHS providers' potential support needs across five themes:
- quality of care;
- finance and use of resources;
- operational performance;
- strategic change;
- leadership and improvement capability.

Trusts are segmented according to the level of support each trust needs. NHS Improvement can then signpost, offer or mandate tailored support as appropriate.

Each Trust is segmented into one of the following four categories:

Segment	Description
1	Providers with maximum autonomy: no potential support needs identified. Lowest level of oversight; segmentation decisions taken quarterly in the absence of any significant deterioration in performance.
2	Providers offered targeted support: there are concerns in relation to one or more of the themes. We've identified targeted support that the provider can access to address these concerns, but which they are not obliged to take up. For some providers in segment 2, more evidence may need to be gathered to identify appropriate support.
3	Providers receiving mandated support for significant concerns: there is actual or suspected breach of licence, and a Regional Support Group has agreed to seek formal undertakings from the provider or the Provider Regulation Committee has agreed to impose regulatory requirements.
4	Providers in special measures: there is actual or suspected breach of licence with very serious and/or complex issues. The Provider Regulation Committee has agreed it meets the criteria to go into special measures.

NHS Improvement produce a quarterly assessment of the segments Trusts are in. Our Trust is in segment 2.

Further information is available at https://improvement.nhs.uk/resources/single-oversight-framework-segmentation/

From 01 April to 30 September 2016, the former Risk Assessment Framework was in operation. This comprised of two risk assessments, a governance assessment (rated as either red or green) and a continuity of services rating (based on a 1 – 4 rating). Monitor previously used this Risk Assessment Framework to consider the Trust's performance in the following areas:

- Performance against national standards;
- CQC views on the quality of our care;
- Information from third parties;
- Quality governance information;
- Continuity of services and aspects of financial governance.

The tables below show our ratings for the previous year, together with this year's ratings.

2016/17
The Trust has been assessed as being in segment 2 since the new framework came into operation. Under the former framework, the Trust was assessed as Green for the two quarters with no evident concerns regarding our performance.

2015/16
The Trust's performance overall was assessed as Green for the year. This means that there were no evident concerns regarding our performance.

We did experience challenges in delivering one of the national indicators during the year. We failed to achieve the standard of ensuring the proportion of in-patients who experienced a delayed transfer of their care, when ready for discharge, did not exceed 7.5% of the total in-patient numbers during Quarter 1 and 2 of the year. We introduced a number of improvements focussed on better joint working with social care services and the position improved for the rest of the year.

Single Oversight Framework

2016/17 Segmentation	Annual Plan (expected rating)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Segment	2	N/A	N/A	2	2

Risk Assessment Framework

2016/17 Regulatory ratings	Annual Plan (expected rating)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Continuity of services rating	4	4	3	N/A	N/A
Governance risk rating	Green	Green	Green	N/A	N/A

2015/16 Regulatory ratings	Annual Plan (expected rating)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Continuity of services rating	4	4	3	3	4
Governance risk rating	Green	Green	Green	Green	Green

2.3   Goals agreed with our NHS Commissioners

A proportion of our income in 2016/17 was conditional on achieving quality improvement and innovation goals agreed between the Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework.

For 2016/17 £1,905,535 of the Trust's contracted income was conditional on the achievement of these indicators. We achieved the majority of the targets and improvement goals that we agreed with our Commissioners. We received £1,351,854 (71%) of the income that was conditional on these indicators. For the previous year, 2015/16 the associated monetary payment received by the Trust was £1,531,225 (91.6%).

A summary of the indicators agreed with our main local health Commissioner Sheffield Clinical Commissioning Group for 2016/17 is shown below.

Incentivising improvements in the areas of Safety, Access, Effectiveness and User experiences	
Improving staff health and wellbeing a) The introduction of health and wellbeing initiatives covering physical activity, mental health and improving access to physiotherapy for people with MSK issues.	ACHIEVED
b) Achievement of a step-change in the health of the food offered on our premises in 2016/17; and	ACHIEVED
Submit national data collection returns by July based on existing contracts with food and drink suppliers c) Improving the uptake of flu vaccinations for frontline clinical staff	NOT ACHIEVED
Improving physical healthcare to reduce premature mortality in people with severe mental illness a) To demonstrate Cardio metabolic Assessment and Treatment for Patients with Psychoses in the following areas: I. In-patient Wards II. Early Intervention Psychosis Services III. Community Mental Health Services (Patients on CPA)	PARTIALLY ACHIEVED
b) Communication with GPs: To ensure that patients either have an updated CPA care plan or a comprehensive discharge summary; which is shared with their GP.	NOT ACHIEVED
Improving access to dental care for service users with serious mental illnesses in the community under the care of designated teams	PARTIALLY ACHIEVED
Care planning standards Number of service users, treated by the CRHT Team who are assigned to a care cluster who, at the point of discharge, have three outcome measures recorded on their record.	ACHIEVED
Cluster reviews Ensuring all cluster reviews are undertaken within the required time period.	ACHIEVED
Access to Alcohol Services To improve the use of alcohol services for people under the care of our mental health or learning disabilities services.	PARTIALLY ACHIEVED

Incentivising improvements in the areas of Safety, Access, Effectiveness and User experiences	
Formal Carers Assessments Improved support for Carers of people on CPA through the offer and provision of carers assessments	PARTIALLY ACHIEVED
Patient Information The development of discharge information packs for people admitted to in-patient services	PARTIALLY ACHIEVED

The table above summarises the goals that we agreed with our Commissioners, and the progress that we made. Full details of the agreed goals for 2016/17 and for the following 12 month period are available electronically at on our website at http://shsc.nhs.uk/about-us/corporate-information/publications/

The issues prioritised for next year are summarised as follows:
National indicators focussing on
- Improving physical healthcare to reduce premature mortality in people with severe mental illness – continuing the work from this year into next year, and extending it to people within early intervention in psychosis services;
- Improving staff health and wellbeing – continuing the work from this year into next year, and focussing on improving the number of staff experiencing stress, MSK issues, providing lower sugar, lower salt content foods in our canteens and cafes and improving flu vaccination uptake amongst frontline staff;
- Ensuring the experience of service users who transition from children and adolescent mental health services into adult services is not affected due to the change in provider;
- To work with Sheffield Teaching Hospitals NHS Foundation Trust to provide alternative options for a cohort of people who would benefit from mental or psychosocial interventions to reduce their attendances at A&E;
- To improve the reporting, advice given and onward assistance and support for service users within in-patient settings in reducing their smoking and alcohol consumption.

The CQUIN programme for next year focuses purely on agreed national priorities. We look forward to working collaboratively with our neighbouring Trusts in order to progress these going forward.

We will continue to make improvements in the areas where we did not fully achieve our targets for this year and will monitor this internally as we go through 2017/18.

2.4   Review of services
During 2016/17 SHSC provided number of services via direct or sub-contracted arrangements. While a number of our services are commissioned via non-NHS bodies, predominantly our income is generated via commissioned services with NHS Sheffield Clinical Commissioning Group (SCCG) and the Sheffield City Council (SCC). These contracts cover a range of services i.e. Mental Health, Learning Disabilities, Substance Misuse, Dementia and integrated social care provision.

The Trust has reviewed all the data available on the quality of care in these services. The Trust reviews data on the quality of care with SCCG and other associate CCGs, SCC and

other NHS / non-NHS Commissioners; whether this is under the formal remit of the NHS National Standard Contract or via alternative contractual arrangements as appropriate.

The Trust has agreed quality and performance schedules with its main Commissioners of its services which are embedded within our formal contractual arrangements. With respect to SCCG and SCC; these schedules are reviewed on an annual basis and confirmed as part of the review and renewal of our service contracts. We have formal and established governance structures in place with our Commissioners to ensure we report on how we are performing against the agreed quality standards, during the course of the contract term and on-going service provision.

In 2016/17 Sheffield CCG issued a contract performance notice, in relation to the levels of staff who had undertaken the required mandatory training, against the compliance target we had set. Our target to achieve was 80% compliance for of all staff across all mandated subject areas. Our performance in this area was much lower than this and although improvement targets had been set, we struggled to maintain our performance. Additional resources, additional training sessions, together with a review of all our mandatory training finally began to have a positive impact, and our performance in this area has gradually improved throughout the year. Our Commissioners have indicated that our progress is positive and we are expecting the performance notice to be lifted imminently, as a result of this.

During 2016/17 year SCCG and SCC jointly undertook a service review of Longley Meadows, a respite service for people with learning disabilities. This review identified some concerns regarding the standards of care and the service being provided. We worked closely with our Commissioners and put a development plan in place that was closely reviewed and monitored. The Commissioners were assured that good progress had been made in delivering the actions necessary to respond to the concerns highlighted. (This service closed during the year).

The Trust has established formal forums in place, in terms of monitoring our quality and contractual performance, in particular with our main Commissioners, SCCG and SCC. Through these forums SCCG and SCC have the opportunity to review our performance against quality standards and other performance targets, jointly with us, and query any issues of potential concern, with action plans implemented as necessary, and/ or monitoring arrangements put in place.

During the year issues of concern were raised in respect of our performance in investigating serious incidents in a timely manner. The national serious incident framework stipulates a timescale of 12 weeks from the date of the incident to an investigation being completed and reported into Commissioners. The Trust has struggled with achieving this target for a number of years and as such, our Commissioners requested a remedial action plan to enable the Trust to improve performance in this area. The aim of this was to ensure that all outstanding serious incident investigations were completed by the end of December 2016 and that performance was then maintained within the stipulated timescales. We succeeded in achieving this target and all our outstanding investigations were provided to the commissioners by 31 December 2016. Since this date, we have had no lapses of investigations taking longer than the 12 week timescale, unless previously authorised through the granting of an extension, which are only requested where extenuating circumstances prevail.

Performance in providing carers of people on the Care Programme Approach with a review and assessment of their needs has improved this year. We exceeded the target set through the CQUIN framework in the number of carers who have been asked whether they would wish to have an assessment undertaken. This in turn led to an increased demand of carers awaiting assessments. Additional resource was put in place to focus purely on undertaking these assessments to ensure carers were getting their needs assessed to ensure appropriate care packages were put into place.

2.5   Health and Safety Executive / South Yorkshire Fire and Rescue visits
Health and Safety Executive
There were no Health and Safety Executive visits to the Trust during 2016/17.

South Yorkshire Fire and Rescue
During 2016/17 the South Yorkshire Fire and Rescue Service issued an enforcement notice, following two fires on Burbage Ward, an in-patient ward within our adult mental health services. While the Trust has challenged part of this enforcement notice, remedial actions have been identified to ensure compliance with statutory duties. We are expecting the Fire and Rescue Service to undertake a further inspection in June 2017 where we anticipate this notice will be lifted.

2.6   Compliance with NHS Litigation Authority (NHSLA) Claim Management Procedures
The Trust is a member of the NHSLA, who handles negligence claims made against the NHS. The NHSLA gives all member organisations a red, amber, green ('RAG') rating which determines the level of contribution each member makes to the NHSLA for insurance cover. The Trust's current RAG rating is red, which reflects a level of concern based on the costs incurred from negligence claims arising from incidents more than four years ago.

2.7   Participation in Clinical Research
The number of patients receiving relevant health services provided or sub-contracted by Sheffield Health and Social Care NHS Foundation Trust in 2016/17 who were recruited during that period to participate in research approved by a research ethics committee was 933.

Research is a priority for the Trust and is one of the key ways by which the Trust seeks to improve quality, efficiency and initiate innovation. Over the last year the Trust has worked closely with the Yorkshire and Humber Collaboration for Leadership in Applied Health Research and the Yorkshire and Humber Local Research Network to improve our services and increase opportunities for our service users to participate in research, when they choose do so. We have strong links with academic partners, including the School of Health and Related Research in the University of Sheffield, the School of Health and Wellbeing at Sheffield Hallam University, the Sheffield Clinical Trials Research Unit and the National Centre for Sports and Exercise Medicine, to initiate research projects in the Trust.

We adopt a range of approaches to recruit people to participate in research. Usually, we will identify individuals appropriate to the area being researched and staff involved in their care will make them aware of the opportunity to participate in the study. Service users and carers will be provided with the necessary information to allow them to take informed decisions about whether they wish to participate and, if they agree, they will contacted by the research team. SHSC also uses the Join Dementia Research tool designed by the National Institute for Health Research in association with Alzheimer's Research UK and the

Alzheimer's Society to match service users who have expressed an interest in research with appropriate studies.

The Trust was involved in conducting 59 clinical research projects which aimed to improve the quality of services, increase service user safety and deliver effective outcomes. Areas of research in which the Trust has been active over the last 12 months include:

- A 10 centre randomised controlled trial of an intervention to reduce or prevent weight gain in severe mental illness;
- A trial comparing the effectiveness of counselling for depression with cognitive behavioural therapy;
- A multi-centre trial of a self-help intervention to improve quality of life in Alzheimer's disease;
- Supporting for the families and carers of service users with dementia;
- Help to stop smoking for those with severe mental illness;
- Redesigning the early intervention in psychosis pathway;
- Co-morbidities between physical health and mental health;
- Pharmaceutical trials of new drugs for service users with dementia (including Alzheimer's disease).

2.8   Participation in Clinical Audits
National Clinical Audits and National Confidential Enquiries
During 2016/17 six national clinical audits and one national confidential enquiries covered relevant health services that Sheffield Health and Social Care NHS Foundation Trust provides.

During that period Sheffield Health and Social Care NHS Foundation Trust participated in 100% national clinical audits and 100% national confidential enquiries of the national clinical audits and national confidential enquiries it was eligible to participate in.

The national clinical audits and national confidential enquiries that Sheffield Health and Social Care NHS Foundation Trust was eligible to participate in during 2016/17 are as follows:

- National Confidential Inquiry into Suicide and Homicide by People with Mental Illness
    - Inquiry into Suicide and Homicide by people with mental illness
    - Inquiry into Suicide and Homicide by people with mental illness Out of District Deaths
    - Inquiry into Suicide and Homicide by people with mental illness Homicide data
- Learning Disability Mortality Review Programme (LeDeR Programme)
- POMH Topics 1 and 3: Prescribing high-dose and combined antipsychotics
- POMH Topic 7: Monitoring of patients prescribed lithium
- POMH Topic 11: Prescribing antipsychotic medication for people with dementia
- POMH Topic 16: Rapid tranquillisation
- National Audit of Early Intervention Services

The national clinical audits and national confidential enquiries that Sheffield Health and Social Care NHS Foundation Trust participated in, and for which data collection was completed during 2016/17, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Name of national audit SHSC participated in	Number of cases submitted as a percentage of those asked for
National Clinical Audits	
Learning Disability Mortality Review Programme (LeDeR Programme)	68% *(Note 1)*
National Audit of Early Intervention Services	100%
Prescribing Observatory for Mental Health	
POMH Topics 1 and 3: Prescribing high-dose and combined antipsychotics	100%
POMH Topic 7: Monitoring of patients prescribed lithium	100%
POMH Topic 11: Prescribing antipsychotic medication for people with dementia	100%
POMH Topic 16: Rapid tranquillisation	100%
National Confidential Inquiries *(Note 3)*	
Inquiry into Suicide and Homicide by people with mental illness	20% (*Note 2*)
Inquiry into Suicide and Homicide by people with mental illness Out of District Deaths	Nil – there were no cases this year
Inquiry into Suicide and Homicide by people with mental illness Homicide data	10% (*Note 2*)
Note 1: In some cases reporting had not occurred before the end of the 2016/17 reporting period due to the timeframe between the relevant death occurring and the end of the reporting period. **Note 2**: The percentage figure represents the numbers of people who we reported as having prior involvement with as a percentage of all Inquiries made to us under the National Confidential Inquiry programme. i.e. in 80% and 90% of all inquiries, we had no record of having had prior involvement with the individual concerned. **Note 3**: Submission of data for Quarters 3 and 4 of each year takes place within the follow year reporting period. Therefore these figures include 2015/16 Quarters 3 and 4 and 2016/17 Quarter 1 and 2.	

The reports of four* national clinical audits were reviewed by the provider in 2016/17 and Sheffield Health and Social Care NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

- Review the EIP pathway including the structures and processes associated with the Early Intervention Service;
- Improve processes associated with physical health screening and reviews
- Make improvements to the 'e-discharge' system;
- Ensure relevant policies and procedures, along with associated training, are up to date and reflect the learning arising from the audits.

* These included three national clinical audits participated in during 2016/17 together with one participated in during 2015/16 and reported in 2016/17. POMH Topics 1 and 3, and Topic 16 are both due to be reported during 2017/18.

The reports of 17* local clinical audits were reviewed by the provider in 2016/17 and Sheffield Health and Social Care NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

* There were a number of local clinical audits undertaken but not finished during 2016/17. The reports from these will be reviewed during 2017/18.

Local Audit Recommendations
In total there were 46 recommendations from the various completed local audits. These have been grouped into seven themes, below shows the list of themes in order of popularity:

Themes	Frequency
System or process change	25
Training or meeting to inform people	19
Checklist to be introduced	12
Policy or guideline change	11
Prescribing changes	6
Care record changes	3
Re-audit recommended	3

Summary
From the seven themes that were derived from the recommendations there is an overarching theme of changes to systems or processes, these can be IT systems, admission procedures, prescribing methods, introduction of checklists and changes to policies/guidelines. The authors of the recommendations are rarely in a position to make the changes; this will usually be the responsibility of the Consultant or senior management team (SMT) from that respective directorate. Clinical Audit is a regular feature of SMT meetings so these recommendations are discussed and action plans are put in place as necessary.

2.9 Data Quality

Good quality information underpins the effective delivery of care and is essential if improvements in quality care are to be made. Adherence to good data quality principles (complete, accurate, relevant, accessible, timely) allows us to support teams and the Board of Directors in understanding how we are doing and identifying areas that require support and attention.

External Auditors have tested the accuracy of the data and our systems used to report our performance on the following indicators
- Seven day follow up – people on CPA should receive support in the community within seven days of being discharged from hospital;
- 'Gate keeping' - everyone admitted to hospital should be assessed and considered for home treatment;
- Restrictive Practices – Restraint data as prioritised by our Governors.

As with previous years, the audit has confirmed the validity and accuracy of the data used within the Trust to monitor, assess and report our performance.

Sheffield Health and Social Care NHS Foundation Trust did not submit records during 2016/17 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics. The Trust did submit data to the Mental Health Services Data Set (MHSDS). The latest published data regarding data quality under the mental health minimum data set is for December 2016. The Trust's performance on data quality compares well to national averages and is summarised as follows:

Percentage of valid records	Data quality 2016/17	National average
NHS Number	100%	99.3%
Date of birth	100%	100%
Gender	100%	100%
Ethnicity	90.2%	83.1%
Postcode	100%	99%
Commissioner code	100%	96.1%
GP Code	98.6%	99.9%
Primary diagnosis	99.1%	N/A
HoNOS outcome	93%	N/A
The Trust data is for the end of Q3 and comparative data is from the published MHSDS Reports for December 2016		

As a NHS Foundation Trust delivering mental health services we are required to deliver the following standards in respect of data completeness.

Percentage of valid records	Target	2015/16	2016/17
Service user identifiers *For example date of birth, gender.*	97%	99.8%	100%
Service user outcomes *For example employment status, HoNOS scores*	50%	85.1%	96.1%

Clinical coding error rates

Sheffield Health and Social Care NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during 2016/17 by the Audit Commission.

2.10 Information governance

We aim to deliver best practice standards in Information Governance by ensuring that information is dealt with legally, securely and effectively in order to deliver the best possible care to our service users. During the year we completed a self-assessment through the Health and Social Care Information Centre Information Governance Toolkit framework.

Based on our self-assessment Sheffield Health and Social Care NHS Foundation Trust's Information Governance Assessment Report overall score for 2016/17 was 68% for the 45 standards and was graded Satisfactory. A summary of our performance is provided below.

Information Governance Assessment framework - criteria	Achieved			2016/17 Current Grade
	2014/15	2015/16	2016/17	
Information Governance Management	66%	66%	66%	Satisfactory
Confidentiality and Data Protection Assurance	66%	66%	70%	Satisfactory
Information Security Assurance	66%	66%	66%	Satisfactory
Clinical Information Assurance	66%	66%	66%	Satisfactory
Secondary Use Assurance	66%	70%	70%	Satisfactory
Corporate Information Assurance	66%	66%	66%	Satisfactory
Overall	66%	67%	68%	Satisfactory

Note:

(1) 'Satisfactory' means we are at Level 2 on all the assessment criteria, based on our self-assessment.

(2) There are four levels, with Level 0 being the lowest rating and Level 3 the highest.

(3) Each year the standards are increased in different ways. So while our overall percentage scores remain the same the standards required to achieve 'satisfactory' are increased.

Part 3: Review of our Quality Performance
3.1   Safety

Overall number of patient related incidents reported
The Trust traditionally reports a high number of incidents compared to other organisations. This is a positive reflection of the safety culture within the Trust. It helps us to understand what the experience of care is like, spot trends and make better decisions about what we want to address and prioritise for improvement.
NHS England assesses our performance using the data supplied through the National Reporting Learning System (NRLS). Our reporting rates are summarised in the table below:

Patient related incidents reported	Number of incidents reported	Our Incidents per 1,000 bed days (note 1)	National Incidents per 1,000 bed days
Apr 13-Sept 13	1,505	27.1	26.4
Oct 13 - Mar 14	1,625	42.4	32.5
Apr 14 - Sept 14	2,129	55.3	32.8
Oct 14 - Mar 15	2,357	66.7	31.1
Apr 15 – Sept 15	1,982	60.8	38.6
Oct 15 – Mar 16	1,972	67.1	37.5
Apr 16 – Sept 16	2,267	86.0	42.5
Source: National Reporting Learning System			
Incident rate = number of incidents compared to volume of in-patient care (occupied bed days)			

Our incident rate per 1,000 days has increased over the last three to four years. In the latest report published from the NRLS, the Trust is the second highest reporter of patient safety incidents out of 55 mental health trusts (using the reporting rate per 1000 bed days). Our incidents have increased partly due to increased/improved reporting, but more noticeably because over this period the amount of care we have provided within in-patient settings has reduced significantly from 55,599 bed days in Apr13 - Sept13 to 26,363 bed days in Apr16 –Sept16. If our numbers of bed days had remained at the same level of April 13 - Sept 13 then our incident rates for Oct 15 – Mar 16 would have been 40.8.

Nationally, based on learning from incidents and errors across the NHS, NHS England has identified a range of errors that should always be prevented. These are often referred to as 'never events', because with the right systems to support care and treatment in place they should never need to happen again. The Trust reported one 'never event' within the reporting year 2016/17. This incident involved a collapsible shower rail on one of our in-patient wards, which failed to collapse when ligation was attempted. Although the incident itself caused no harm to the service user, the incident was reported and thoroughly investigated as a 'never event'.

Patient safety alerts
The NHS disseminates safety alerts through a Central Alerting System. The Trust responded effectively to all alerts communicated through this system. During 2016/17 the Trust received 116 non-emergency alert notices, of which 97% where acknowledged within 48 hours, 12 were applicable to the services provided by the Trust and 99% were

acted upon within the required timescale. We aim to achieve 100%. In addition a further 24 emergency alerts were received and acted upon straight away.

Patient safety information on types of incidents

Self-harm and suicide incidents

The risk of self-harm or suicide is always a serious concern for mental health and substance misuse services. The latest NRLS figures show 13.8% of all patient safety incidents reported by the Trust were related to self-harm, in comparison with 22.0% for mental health trusts nationally.

Proportion of incidents due to Self-harm/Suicide	Number of incidents reported	Our Incidents as a % of all our incidents (note 1)	National Incidents as a % of all incidents
Apr 13-Sept 13	176	11.7%	20.4%
Oct 13 - Mar 14	211	13.0%	21.0%
Apr 14 - Sept 14	260	12.2%	20.0%
Oct 14 - Mar 15	334	14.2%	21.2%
Apr 15 – Sept 15	280	14.1%	20.9%
Oct 15 – Mar 16	246	12.5%	22.2%
Apr 16 – Sept 16	313	13.8%	22.0%
Source: National Reporting Learning System			

Disruptive behaviour

In previous years the Trust has reported relatively low incidents of disruptive and aggressive behaviour within our services compared to other mental health organisations. This has increased over the last three-four years as we have prioritised and progressed significant improvement work under our *RESPECT* programme. This has resulted in improved reporting rates and our reported incidents are now higher than the national averages. This is summarised in the table below:

Proportion of incidents due to Disruptive Behaviour	Number of incidents reported	Our Incidents as a % of all our incidents	National Incidents as a % of all incidents
Apr 13-Sept 13	290	19.3%	17.0%
Oct 13 - Mar 14	355	21.8%	16.1%
Apr 14 - Sept 14	446	20.9%	16.1%
Oct 14 - Mar 15	471	20%	15.2%
Apr 15 – Sept 15	423	21.3%	15.3%
Oct 15 – Mar 16	401	20.3%	15.1%
Apr 16 – Sept 16	556	24.5%	14.4%
Source: National Reporting Learning System			

Medication errors and near misses

Staff are encouraged to report near misses and errors to make sure that we are able to learn and make our systems as safe and effective as possible. The proportion of incidents reported that relate to medication errors has historically been below national averages. However, improved reporting has shown an increase of this type of incident over the last two years.

Proportion of incidents due to medication errors	Number of incidents reported	Our Incidents as a % of all our incidents	National Incidents as a % of all incidents
Apr 13-Sept 13	87	5.8%	8.8%
Oct 13 - Mar 14	98	6.0%	9.0%
Apr 14 - Sept 14	136	6.4%	9.2%
Oct 14 - Mar 15	193	8.2%	8.9%
Apr 15 – Sept 15	161	8.1%	8.6%
Oct 15 – Mar 16	241	12.2%	8.4%
Apr 16 – Sept 16	228	10.1%	8.5%
Source: National Reporting Learning System			

Cleanliness and infection control

The Trust is committed to providing clean safe care and ensuring that harm from infections is prevented. An annual programme of infection prevention and control details the methods and actions required to achieve these ends. This includes:

- processes to maintain and improve environments;
- the provision of extensive training;
- systems for the surveillance of infections;
- audit of both practice and environment;
- provision of expert guidance to manage infection risks identified.

This programme is monitored internally and externally by the provision of quarterly and annual reports detailing the trusts progress against the programme. These reports are publically available via the internet.

Single sex accommodation

During 2016/17 we have had no reportable breaches of the Department of Health Guidance on Eliminating Mixed Sex Accommodation. There are a number of further non-reportable measures within the guidance which the Trust manages as well as possible in collaboration with Sheffield CCG, however does not fully meet these due to the layout of the wards. The CQC has also identified the limitations of the wards in the November 2016 inspection and the Trust CQC action plan addresses and monitors the improvements that we are making in this area.

Safeguarding

The Trust complies with its responsibilities and duties in respect of Safeguarding Adults and Safeguarding Children. We have a duty to safeguard those we come into contact with through the delivery of our services and to identify those who may have experienced or are experiencing abuse in all of its forms.

We fulfil our obligations through ensuring we have:

- systems and policies in place that are compliant with legislation and best practice;
- the right training and supervision in place to enable staff to recognise vulnerabilities and indicators which may suggest abuse and take action;
- expert advice available to staff to enable them to reduce the risks to people, which continues to be well utilised by staff.

We have worked hard over the last year to consolidate staff awareness and provide improved comprehensive safeguarding training which has increased training compliance over the year, although we have further improvements to make. We will continue to develop our training programme into next year, as we have this year, which saw the introduction of key emerging themes within safeguarding including 'Prevent' and modern slavery and will ensure these developments and improvements in training provision continue.

Reviews and investigations
The National Framework for Serious Incidents stipulates that all serious incidents should be investigated in a timely manner and that conclusions and learning should be shared with those affected, and our Commissioners. Historically we have experienced challenges in achieving the 12 weeks target of completing investigations and our Commissioners requested remedial action was taken to address this during 2016/17. We developed an improvement plan to complete all outstanding serious incident investigations and to ensure that these improvements could be maintained throughout the rest of the year. Our Commissioners accepted our recovery plan and we delivered all outstanding incident investigations by 31 December 2016. Since January 2017, all our serious incident investigations have been delivered to our Commissioners within the agreed timescales.

As well as monitoring our investigation completion target, we also monitor the quality of our investigation reports and action plans. We have a target of 75% of all reports submitted being graded as 'good' or 'excellent' with our Commissioners. During the year, we achieved this in two out of four quarters.

Following the review last year of our serious incident procedures, we have further developed and strengthened our tools and templates used. We have also strengthened governance in respect of the sign off processes of investigations within the clinical directorates. Towards the end of the year, we commissioned our internal auditors to scrutinise our processes around serious incident investigations, to enhance our assurance in this area.

This review showed that while our processes have improved as we have been embedding our new review of care procedures, our policy needs to be updated to fully reflect the changes we have made. Work on this is underway.

Overview of incidents by type
The table, on the following page, reports on the full number of incidents reported within the Trust. It then reports on the numbers of those incidents that were reported to result in harm for service users and staff.

Over the last several years the number of reported incidents has increased. Overall, we believe this is due to improvements in our staff reporting incidents, rather than a large increase in the numbers of incidents that are happening.

Two years ago we introduced an on-line incident reporting tool to make it easier for staff to report incidents that had occurred. We believe this is the main reason why the 'all incidents' reported has increased significantly.   The CQC, at their previous inspection in 2014, identified discrepancies across in-patient wards in medication stock, while noted at ward level, wasn't being reported through the Trust's incident procedures. This has resulted in an increase in the number of medication incidents being reported, following

this concern being raised with staff. Over the summer months, we also saw an increase in the number of incidents relating to medication fridge temperatures not being within the necessary limits. This occurred due to improved monitoring of fridge temperatures and raising awareness that such findings warranted an incident to be reported.

While we remain of the view that the main reason for the increased numbers is due to improved reporting practices we are committed to continually reviewing practice, reviewing the incident data and engaging with staff and service users to maintain a full awareness of safety across our services.

Overview of incidents by type

Incident Numbers	2014/15	2015/16	2016/17
All incidents (Service users, staff, members of public, buildings)	7861 (a)	8549 (a)	8565
All incidents resulting in harm	1886	1669 (a)	1294
Serious incidents (investigation carried out)	23	23	28 (g)
Incidents involving service users			
Patient safety incidents reported to NRLS (d)	4948 (a)	5457 (a)	4302
Patient safety incidents reported as 'severe' or 'death'	24	21 (a)	37
Expressed as a percentage of all patient safety incidents reported to NRLS (d)	0.49%	0.38% (a)	0.86%

Incident Type	2014/15	2015/16	2016/17
Slips, Trips and Falls incidents	1265 (a)	1208 (a)	1034
Slips, Trips and Falls incidents resulting in harm	451	399	300
Self-harm incidents	668	676 (a)	521
Suicide incidents (in-patient or within 7 days of discharge)	0	0	0
Suicide incidents (community)	21	20 (b)	5 (c)
Violence, aggression, threatening behaviour and verbal abuse incidents	2323 (a)	2429 (a)	2402
Violence, aggression and verbal abuse incidents resulting in harm	394 (a)	406 (a)	397
Medication Errors	491	674 (a)	798
Medication Errors resulting in harm	0	2	2
Infection Control			
MRSA Bacteraemia incidents	0	0	1
Clostridium difficile Infection incidents (new cases)	1	5(e)	4 (h)
Periods of Increased infection/Outbreak incidents Showing number of incidents, then people effected in brackets	7	4 (25)	4 (39)
• Diarrhoea and vomiting (eg Norovirus)	0	1 (11)	0
• Coronavirus	0	0	0
• Influenza			
MRSA Screening (until 2015/16 based on randomised sampling to identify expected range to target)	50%	21% (f)	43%
Staff Influenza Vaccinations	50.7%	22%	25%

(a) Incident numbers have increased/decreased from those reported in the 2015/16 Quality Report due to additional incidents being entered onto the information system, or incidents being amended, after the completion of the report.

(b) The figure has increased from that reported in last year's Quality Report due to the conclusion and judgements of HM Coroner's inquest.

(c) Figures likely to increase after the conclusion of future HM Coroner's inquests. Will be reported in next year's report.

(d) The NRLS is the National Reporting Learning System, a comprehensive database set up by the former National Patient Safety Agency that captures patient safety information.

(e) 4 of the cases were assessed as being unavoidable.

(f) Department of Health screening guidance changed during 2015/16, it is therefore not possible to compare results to previous years.

(g) This figure appears higher than in previous years as the Trust has implemented revised serious incident processes. This figure represents both level 1 and level 2 investigations.

(h) 3 of the cases were assessed as being unavoidable. The last case is dated 30/3/17, as such the avoidable figure may change next year.

3.2   Effectiveness

The following information summarises our performance against a range of measures of service effectiveness.

Primary Care Services – Clover Group GP Practices

There are many performance targets allocated to GP practices locally and nationally, including immunisation uptake, cancer screening, Quality Outcome and Frameworks.

The Clover Group Practice has high numbers of patients who are registered who have complex needs. The large multi-site practice of 26,500 patients serves a majority multi-ethnic migrant population in areas of social deprivation within Sheffield with a majority of the population being of ethnic minority backgrounds, including one of the city's highest Slovak Roma population. The Mulberry site provides a specialist healthcare service to Sheffield's asylum seeking population and victims of trafficking along with the homeless. The needs of the practice populations bring a number of acknowledged challenges for the service to deliver the range of expected standards, as patients struggle to understand the importance of the range of health screening, and often a lack of long term stability in their lives mean that patients do not attend for planned care.

A significant amount of work goes into supporting the patients of the practice and more vulnerable groups to understand the benefits of uptake of vaccinations and screening and attending for chronic disease reviews and reviews of medication. The Clover Group works in partnership with local organisations to deliver educational messages and support to communities to understand the importance of regular health checks and screening. The practices have worked with a third sector partner to host practice champions, a group of patient volunteers whom which have been trained in key health topics including cancer screening, stopping smoking, health eating to deliver some activities and key messages across the community in Darnall, the Clover Group's biggest site. The Mulberry team also works very closely with partners around asylum health to support the health and social care needs of this particular vulnerable group.

Access to services, specifically in two of the Clover Group teams in Darnall and Tinsley continue to be problematic due to the levels of need and high demand from the registered population. The Slovak Roma populations are registered here with high levels of need and complex issues. A significant amount of work will be carried out during 2017/18 in response to delivery of improved access to services in these surgeries in particular.

The Quality Outcomes Framework (QOF) is one of the main quality indicators of primary care and provides a range of good practice quality standards for the delivery of GP services.

The table below summarises the overall achievement of all the QOF standards. The perceived drop in achievement is due to a systematic increase in disease prevalence through in-depth audits; the result being to skew the percentage achievements from the resulting new patients.

Year	Clover
2014/15	88%
2015/16	98%
2016/17	90%

The following table summarises performance against national standards for GP services. With specific regard to the flu vaccinations below, the uptake was lower this year possibly due to a combination of mild winter weather and community pharmacy contracts where vaccines were delivered elsewhere. There are also additional requirements to immunise children with nasal flu.

PRIMARY CARE – CLOVER GPs	This year's target	How did we do?		
		2014/15	2015/16	This year 2016/17
Flu vaccinations				
Vaccinate registered population aged 65 and over	75%	72%	71.3%	66.7%
Vaccinate registered population aged 6 months to 64 years in an at risk population	70%	51.7%	43.4%	88.6% — **Needs to improve**
Vaccinate registered population who are currently pregnant	70%	33.6%	40.6%	36%
Childhood immunisations				✔
Two year old immunisations	70-90%	90%	90%	93%
Five year old immunisations	70-90%	82%	85%	93% ✔
Cervical Cytology	60-80%	66.5%	66.1%	61.8% ✔

Information source: SystmOne and Immform

Substance Misuse Services

The four commissioned services continue to prioritise ensuring timely access to primary and secondary care treatment. The service aims to ensure all of Sheffield's population that would benefit from the range of services provided in drug and alcohol treatment are able to access support. The service adopts a range of approaches to engage with people from this vulnerable service user group. Priorities for next year include the further expansion of the universal screening tool to increase the number of people accessing support services for alcohol problems and maximising the numbers of people supported and ready to finish treatment drug and/or alcohol free.

DRUG and ALCOHOL SERVICES	This year's target	2013/14	2014/15	2015/16	2016/17
Drugs No client to wait longer than 3 weeks from referral to medical appointment	100%	100%	100%	100%	100%
No drug intervention client to wait longer than 5 days from referral to medical appointment	100%	100%	100%	100%	100%
No Premium client should wait longer than 48 hours from referral to medical appointment	100%	100%	100%	100%	100%
No prison release client should wait longer than 24 hours from referral to medical treatment	100%	100%	100%	100%	100%
% problematic drug users retained in treatment for 12 weeks or more	90%	96%	81%	96% (opiates) 81% (non-opiates)	96%* (opiates) 82%* (non-opiates
Alcohol Single Entry and Access No client to wait longer than 1 week from referral to assessment	100%	100%	100%	100%	100%
No client to wait longer than 3 weeks from Single Entry and Access Point assessment to start of treatment	100%	100%	100%	100%	100%
Outcomes, Self care All clients new to treatment receive physical health check as part of comprehensive assessment	100%	100%	100%	100%	100%

Information source: National Drug Treatment Monitoring System

* The latest reported position is September 2016 as released on Q3 16/17 performance

Learning Disability Services

A fuller overview of developments within our learning disability services is provided in our Annual Report. During the year there has been a commitment to improving care delivery in partnership with our service users, families, carers and local health and social partners. This has led to a re-invigoration of our stepped care pathways across community and in-patient facilities.

The main service priorities over the last year for the Assessment and Treatment Service (ATS) in-patient area have been to strengthen and consolidate clinical leadership capacity, to focus on service development and quality improvements to increase the

patient experience and clinical outcomes and to support and maintain a consistent and high quality service.

The ATS service has been rated 'Good' across all five domains in the recent Trust wide CQC inspection. This was a fantastic achievement, and the only in-patient ward to achieve this status across all domains.

The ATS service has successfully developed Business Plans for improvements in environmental and clinical safety agreed via Business Planning Group. This work will enhance the environment and provide an environment fit for purpose and support clinical safety and minimise care pathway disruption for service users. Work has also progressed regarding a new service staffing model to meet the clinical needs of the in- patient area to ensure quality is maintained. Early indications highlight a reduction in incidents across quarter 4 with an enhanced staffing model in place.

The LD leadership team continues to work within the national Transforming Care agenda both locally and regionally. The team has developed a revised discharge planning process and discharge pathway to support and expedite successful discharge transition, working with relevant key stakeholders.

Quality improvements have been developed and maintained in the use of DRAMs (Detailed Risk Assessment Measures), recording and implementation of the Mental Health Act Standards, Compliance with the Mental Capacity Act and improvement in service user collaboration/ engagement through MDT planning/ attendance and the Rainbow Group for service users.

At Love Street, the Community Learning Disability Team/Community Intensive Support Service was rated GOOD across all five domains in the recent Trust wide CQC inspection. The community teams have continued to maintain waiting times at 18 weeks for all aspects of multi-disciplinary input. This has been achieved by robust approaches to productivity management with staff on the front line contributing to lean and efficient methods of working and streamlining their processes.   2016 has seen the Community Learning Disability Teams focus on ensuring that all clients have an up to date Detailed Risk Assessment Measure (DRAM) completed on Insight, with current rate of 91% completed, with further work being carried out to address any outstanding.

The Community Learning Disability Team/Community Intensive Support Service have set up new care pathways into the service including an Assessment Clinic, Eligibility Clinic, Falls Clinic and Dementia Clinic, with further work being carried out around Autism pathways, Challenging Behaviour pathway. Links have been developed with external services regarding the Dysphagia pathway, leading to the team winning a National Community Care Award.   A Rapid Response pathway is also up and running, to enable a co-ordinated and timely response to urgent client need.

Work has also been undertaken to improve the referral pathway into the teams and to provide clearer guidance for clinicians around expectations including an operational pathway document.

This year has seen much change in our accommodation services with the transfer to a new provider of the last of the five registered care homes we were delivering in partnership with housing associations. These homes have simultaneously been re-provided as supported living services rather than care homes, and have been

commissioned to deliver significantly more hours of support to the people who use these services.

We have also seen the end of our respite/short breaks services this year with the closure of Longley Meadows and the transfer of Warminster Road over to Sheffield City Council. We worked with 7Hills, exploring the potential for us to remain a provider in this market, but were not successful in developing a model that could be cost competitive.

We have also agreed withdrawal from our supported living services with local authority Commissioners. The process of transferring services to new providers is being undertaken in the first half of 2017/18. We expect the majority of our staff in these services will transfer with them under TUPE regulations.

The nursing home at Buckwood View that we provide with The Guinness Partnership is also to be reviewed in early 2017/18. This service continues to grow in its reputation for quality, was again rated as good in all areas by the CQC, and has recently won an award for its implementation of the national 'React to Red' tissue viability campaign.

Transforming care is a national strategy developed as part of NHS England's commitment to improving the care of people with learning disabilities. One main aim is to reduce admissions and unnecessarily lengthy stays in hospitals alongside reducing health inequalities. Care and Treatment Reviews (CTR) have been designed in response to these concerns. Each review brings together those responsible for commissioning services for individuals with independent clinical opinion and the lived experience of people from diverse communities with learning disabilities and their families. The aim of the Care and Treatment Review is to bring a person-centred and individualised approach to ensuring that the person with learning disabilities and their families are met and that barriers to progress are challenged and overcome.

For the period 16 October 2015 to 11 April 2017 a total of 91 adult Care and Treatment Reviews have been completed.

In September 2015, SCCG delegated responsibility for the set-up, implementation and on-going development of the Care and Treatment Review Process for adults to the Learning Disabilities Directorate, Sheffield Health and Social Care NHS Foundation Trust (SHSC). This process is now well established. However a gap existed in the provision of Children's CTRs which leaves SCCG (as the responsible Commissioner) exposed to multiple risks.

SECG commissioned SHSC to deliver 10 children's community CTRs as part of a six month pilot project. In addition to trialing the Children's CTR process, the project has delivered Children's CTR pathway and protocols, risk register and training for Paediatric staff.

LEARNING DISABILITIES SERVICE	This year's target	How did we do?			This year 2016/17	
		2013/14	2014/15	2015/16		
No-one should experience prolonged hospital care ('Campus beds')	Nil	Nil	Nil	Nil	1	✓
Completion of Care and Treatment Reviews (01 April 2016-31 March 2017) Number of CTRs completed Percentage completed in timescale		n/a n/a	n/a n/a	36 88%	47 98%	✓
All clients receiving hospital care should have full health assessments	100%	100%	100%	100%	100%	✓
assessments and supporting plans for their communication needs	100%	100%	100%	100%	100%	✓

Information source: Insight and Trust internal self-audit of care plans

Mental Health Services

Our reconfiguration programme across mental health services has continued to deliver a range of improvements over the last year. The key aim of the new pathway that we have put in place is to rebalance the way in which we currently deliver care away from traditional in-patient settings and into the community. This means increasing access to and the quality of community services as well as incorporating new ones which will enable service users to receive a higher quality service closer to home.

This programme has resulted in substantially reduced lengths of hospital stays and, most importantly, no one has been sent out of city due to lack of bed availability for acute adult beds for more than two years. All service users are being offered effective and timely care and treatment near to their homes. The number of people accessing alternative to hospital treatment has increased meaning more people are supported in their own community rather than being admitted to hospital.

Through the reduction in use of in-patient services, we have been able to invest over £1.8m in improving our community mental health services. This includes:
- £556,000 in our early intervention services, which treat people who are experiencing a First Episode of Psychosis (this includes £249,000 investment by NHS England);
- £778,000 in increasing the capacity of our Community Mental Health Teams and Home Treatment Teams to work with people with complex needs in the community;
- £493,000 to set up an intensive psychological therapy programme for people with a personality disorder.

We have also been working on reconfiguration of our rehabilitation services to ensure that the people of Sheffield have the appropriate services locally and will no longer have to go out of city to receive hospital care. They can either be supported in the in-patient service at Forest Close or supported in the community by the Community Enhanced Recovery (CERT) Team with the aim of eventually transferring to their local Community Mental Health Team once their recovery is stabilised. In the past two years we have:

- Established the CERT Team in July 2014 which has successfully supported more than 30 people to return to Sheffield;
- Implemented a recruitment plan to provide increased support to 35 service users, with a plan for the return of all out of city service users to Sheffield;
- Worked to create a single intensive rehabilitation unit at Forest Close to provide appropriate services for the people of Sheffield. The unit at Forest Close has been completely refurbished;
- A recovery college at the Forest Close site has been established to support a range of activities to enhance the service user experience and their road to recovery.

As we have successfully implemented the above changes services continue to perform well across a range of measures used to monitor access and co-ordination of care, achieving all national targets expected of mental health services.

The key developments supported through the investment from the in-patient reduction are with our intensive Home Treatment Service and Early Intervention Psychosis (EIP) Service.

During 16/17 our South West Home Treatment team has been successful in gaining Royal College of Psychiatrists Accreditation. This provides a benchmark for the standards to be adopted across the city as we move towards a city wide model of provision.

Gatekeeping data reflects the focus of our developments over the year with supporting service users at home and providing alternatives to admission. Bar on one occasion, this has remained at 100%

Our EIP Service has through the course of the year successfully achieved the access wait time standard as set out in the national requirements. The resources have now been brought together into one city wide team in preparation to meet the national treatment standards set out as best practice.

Improvements have been made to our care planning processes which enable us to measure and demonstrate a greater collaboration in jointly producing care plans with service users.

Our data shows that the number supported under the Care Programme Approach (CPA) have increased and although the data shows some fluctuation, annual CPA reviews have remained within a 92-95% achievement rate.

We have maintained a focus on the benefits of supporting the role of carers as described in the Care Act 2014. Over the course of the year the numbers of offered an assessment and offered and received an assessment has increased.

MENTAL HEALTH SERVICES	This year's target	How did we do?			
		2014/15	2015/16	This year 2016/17	
Improving Access to Psychological Therapies Number of people accessing services	12,000	13,535	12,774	12,966	✓
New Access targets introduced Q3 2015/16 • Start treatment within 6 weeks of referral • Start treatment within 18 weeks of referral	75% 95%	n/a n/a	75.6% (Q4) 98.1% (Q4)	90.1% (Q4) 99.3% (Q4)	
Early intervention People should have access to early intervention services when experiencing a first episode of psychosis. The national target is to ensure we see at least 95% of the intended 75 new clients.	75 new clients per year	174 new clients accessing services	228 new clients accessing services	270 new clients accessing services	✓
New Access targets introduced Q4 2015/16 Start treatment within 2 weeks of referral	50%	n/a	50%	54.9%	
Access to home treatment People should have access to home treatment when in a crisis as an alternative to hospital care	1,202 episodes to be provided	1,310 episodes provided	1,418 episodes provided	1,499 episodes provided	✓
Delayed transfers of care Delays in moving on from hospital care should be kept to a minimum	No more than 7.5%	4.4%	7.6%	5.81%	**Part year**
Annual care reviews Everyone on CPA should have an annual review.	95%	95.6%	95.2%	92-95.6% (Q3-Q$)	✓
'Gate keeping' Everyone admitted to hospital is assessed and considered for home treatment	95% of admissions to be gate-kept	99.8%	99.5%	99.8%	✓
Comparators (see note 1): National average		*98.1%*	*97.4% (1)*		
Best performing		*100%*	*100% (1)*		
Lowest performing		*64.6%*	*61.9% (1)*		

7 day follow up (2) Everyone discharged from hospital on CPA should receive support at home within 7 days of being discharged	People on CPA (2) 95% of patients on CPA to be followed up in 7 days	96.4%	98.3%	96.9%	✔
Comparators (see note1): National average		*97.2%*	*96.9% (1)*	*n/a*	
Best performing		*100%*	*100% (1)*	*n/a*	
Lowest performing		*91.9%*	*50% (1)*	*n/a*	
Service users discharged from hospital not on CPA should receive support at home within 7 days of being discharged	People not on CPA (2)	*n/a*	*n/a*	*92.2%*	
All service users discharged from hospital should receive support at home within 7 days of being discharged	All discharges (2)	*n/a*	*n/a*	*94.3%*	
Emergency re-admissions: Percentage of service users discharged from acute in-patient wards who are admitted within 28 days.	*5% National benchmark Average is 9% (3)*	*4.9%*	*4.8%*	*TBA*	✔

Information source: Insight and Trust internal clinical information systems. Comparative information from Health and Social Care Information Centre.

Note 1: Source for comparative information: NHS England, Mental Health Community Teams Activity Report for Quarter 3.

Note 2: Quality Account guidance states that all discharges from in-patient areas should be classified as being on CPA. Therefore, all discharges have been included for calculating 7 day follow-up. This has previously only been reported for those people on CPA.

Note 3: NHS Benchmarking report for mental health services 2014/15.

Dementia Services
Our specialist in-patient service for people with dementia and complex needs has continued to focus on improving the care pathway to ensure discharge in a timely manner to the most appropriate package of community care. This results in much better outcomes for the individual concerned. This has enabled increased throughput into the ward but recognises the increasing complexity of the service users admitted. As we deliver better and more intensive community services the need for in-patient care has been gradually reducing.

We continue to deliver excellent Memory Services for the people of Sheffield. Sheffield has the second highest diagnostic rates in England, which means people in Sheffield are far more likely to access support with memory problems than elsewhere in the country. More people are receiving ongoing support and treatment that is appropriate to their specific needs as we are now able to provide a bespoke service of support and education for the user and their carer that is tailored to the needs of the individual.

For several years waiting times for the Memory Service were unacceptably high. This has remained a shared concern with our local Commissioners. A number of initiatives

over the last three years have been introduced, while these previous attempts have resulted in more people being seen, they haven't had the desired impact of reducing waiting times.

We are pleased to report that further work this year has had a clear impact on reducing waiting times. The service has reviewed its pathway and referral management arrangements and additional short term investment was provided to pilot weekend working in the service. As a result of these changes waiting times have reduced significantly.

Through the second half of 2015/16 people waited around 6.5 weeks to start their assessment, compared to 26 weeks in previous years.

At the end of the year people contacting the service to make an appointment were being offered appointments within 4-5 weeks time.

The current position is that appointments for initial assessment are consistently offered between 2-3 weeks from referral.

DEMENTIA SERVICES	This year's target	How did we do?			
		2014/15	2015/16	This year 2016/17	
Discharges from acute care (G1)	N/A	39	48	55	✔
Number of people assessed for memory problems by memory management services (new first appointments)	N/A	971	1,231	1,201	✔
Rapid response and access to home treatment	350	330	295	269	⬇
Waiting times for memory assessment	N/A	23 weeks	13 weeks (2015/16) 6.5 weeks (Oct15-Mar16)	3.9 weeks	✔

Information source: Insight and Trust internal clinical information system

3.3 Service user experience
Complaints and compliments

The Trust is committed to ensuring that all concerns and complaints are managed promptly and investigated thoroughly and fairly. We value the feedback we receive from service users, relatives and carers and recognise the importance of using this feedback to develop and improve services.

The table below summarises the numbers of complaints and positive feedback we have received over the past three years.

Number of	2014/15	2015/16	2016/17
Formal complaints	173	140	169
Informal complaints	153	263	223
Compliments	1147	1142	925

A summary breakdown on the issues highlighted through the complaints we received is provided below.

Issue raised in complaint	Number of times
Access to Treatment or Drugs	9
Admissions and Discharges	12
Appointments	6
Clinical Treatment	16
Commissioning	1
Communications	23
Facilities	2
Integrated Care	2
Other	5
Service User Care	28
Prescribing	6
Privacy and Dignity	8
Staff Numbers	3
Trust Admin/Policies/Procedures	3
Values and Behaviours	43
Waiting Times	2

This year the Parliamentary and Health Service Ombudsman notified us that five complaints had been referred to them. No further action was required in one case. Three cases are currently under investigation. One case was partially upheld by the Ombudsman – we apologised for the failings identified and made a small ex-gratia payment. Of the outstanding case referred to the Ombudsman prior to 01 April 2016, no action was required of the Trust.

We use complaints as an opportunity to improve how we deliver and provide our services. A number of service improvements were made as a result of complaints this year. These include:

- The Improving Access to Psychological Therapies (IAPT) Service has developed clear communication protocols which outline decisions made and the approximate waiting times (if known);

- Changes were made to the Memory Service operational processes to include the use of case management principles to ensure that service users and carers are supported in appropriate ways;
- A review has been undertaken of the management of referrals in the Sheffield Adult Autism and Neurodevelopmental Service (SAANS) from receipt to the issuing of the first appointment, with guidance and training on the process to be provided to all administrative staff;
- Clover City Practice has retrained all its nurses in relation to the appropriate storage of vaccines and has installed data-logger devices in all fridges in order to alert staff earlier to low and high temperatures;
- The telephone system at Woodland View has been reviewed and changes made to ensure that callers are able to contact to individual cottages in an effective and timely manner;
- The Alcohol Service has reviewed its prescribing module and changes have been made.

A full picture of the complaints and compliments received by the Trust over the year is available on our website in the Annual Complaints and Compliments Report. We also publish information about the complaints and compliments we have received on a quarterly basis. The reports can be accessed via the following link:
https://shsc.nhs.uk/about-us/corporate-information/complaints

What do people tell us about their experiences?
We have two national survey tools to help us understand the experience of our service users. Firstly, the national Friends and Family Test, which shows that people who have used our services are highly likely to recommend the services they received to their friends and family. Secondly the national patient survey for mental health trusts, which highlights that the experience of our service users is comparable with other mental health trusts.

The tables below summarises the results from the Friends and Family Test over the last two years, together with the last national Community Mental Health Survey undertaken in 2016.

The national Friends and Family test results for mental health trusts

April 2015-March 2016	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Number of feedback returns	115	166	82	223	120	151	163	157	141	287	269	72
% of Trust service users who would recommend the service they received	91	92	93	95	98	95	96	96	95	95	98	99
National average for mental health trusts	87	88	87	87	88	86	87	87	88	87	87	87

Source: NHS England, Friends and family test data reports

April 2016-March 2017	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Number of feedback returns	81	94	126	139	189	151	240	151	91	165	148	116
% of Trust service users who would recommend the service they received	93	93	95	96	99	95	95	98	96	99	91	97
National average for mental health trusts	87	87	87	87	88	87	88	88	86	88	88	n/a

Source: NHS England, Friends and family test data reports

<u>The Care Quality Commission's annual mental health survey of service users</u>

MENTAL HEALTH SURVEY	2015 Survey		2016 Survey	
Issue – what did service users feel and experience regarding	Patient response	Patient response	Patient response	How did we compare with other Trusts
Their Health and Social Care workers	7.4 / 10	7.4 / 10	7.6 / 10	About the same
The way their care was organised	8.4 / 10	8.4 / 10	8.3 / 10	About the same
The planning of their care	6.9 / 10	6.9 / 10	6.9 / 10	About the same
Reviewing their care	7.2 / 10	7.2 / 10	6.9 / 10	About the same
Changes in who they saw	6.8 / 10	6.8 / 10	6.0 / 10	About the same
Crisis care	5.1 / 10	5.1 / 10	5.8 / 10	About the same
Treatments	7.3 / 10	7.3 / 10	7.3 / 10	About the same
Support and wellbeing	4.6 / 10	4.6 / 10	4.9 / 10	About the same
Overall views of care and services	4.6 / 10	4.6 / 10	7.2/10	About the same
Overall experiences	7.0 / 10	7.0 / 10	6.9 / 10	About the same

The following table relates specifically to the nature of the relationship service users experienced with the staff involved with their care and treatment.

Service user's experience of contact with a health or social care worker during the reporting period. Patient Survey – overall experience	2015 Survey			2016 Survey		
	Lowest national score	Highest national score	Our score	Lowest national score	Highest national score	Our score
In the last 12 months, do you feel you have seen NHS mental health services often enough for your needs?	5.0/10	7.0/10	5.9/10 About the same as other Trusts	4.9/10	7.0/10	6.1/10 About the same as other Trusts
Overall in the last 12 months, did you feel that you were treated with respect and dignity by NHS mental health services?	7.7/10	8.8/10	8.0/10 About the same as other Trusts	7.7/10	8.9/10	8.3/10 About the same as other Trusts

The above table highlights our comparative performance on service user experience in respect of contact with our staff and the support and care we have provided. In most of the areas covered in the survey the experience of our service users is about the same as it is in other Trusts in the country. While this offers some assurance about the quality of the services we provide we want to do better than this. We want the experience of our service users to be really positive and amongst the best in the country.

We are concerned about the lower levels of satisfaction with crisis care, reported in the scores above. A likely explanation for the poorer reported experience of support in a crisis is the variable knowledge and awareness of who service users should contact in a time of crisis. Information about how to access support during times of crisis needs to be clearly and consistently communicated.

Our adult services are undergoing a transformation programme to improve the provision of care across community services. This work has a wide scope, and concentrates on developing evidence-based pathways of care, ensuring availability of high quality crisis care, and that service users are fully involved in their care planning and better informed about their care provision.

Older adult services have responded to the issues raised around out of hours care by extending the working hours for some teams to increase specialist provision for older adults. Also by ensuring that service users are now told routinely how to contact the out of hours team and by training this team in working with older adults. Our adult and older adult services have worked closely together over the last 12 months to improve services out of hours with significantly increased capacity in the out of hours and liaison services, as well as the development of the Single Point of Access.

Sheffield Health and Social Care NHS FT will continue with the above actions to maintain and improve our position regarding the quality of our services. Our on-going development programmes and Quality Objectives focus on supporting individual teams to understand their own performance and take decisions to improve the quality of care they provide.

Improving the experience through better environments – investing in our facilities

The environment of the buildings in which we deliver care has an important part to play and has a direct impact on the experience of our service users. The design, availability of space, access to natural light, facilities and access to outside areas are all fundamental issues. Getting them right has a direct impact on how people feel about the care and treatment they are receiving. We have made significant progress this year in addressing key areas where our buildings haven't been as good as we have wanted them to be.

General environment – external review and feedback

The last Patient Led Assessment of the Care Environment across the Trust took place and was published in August 2016. The conclusion of the review is summarised in the table below. The latest results show that our hospital based facilities are above average in most of the categories for all of our facilities. Between 2014 and 2016 we improved our assessed scores in 16 of the 24 categories.

Site Location	Date of Review	Cleanliness	Food and Hydration	Privacy and Dignity	Condition and appearance
Longley Centre	March 2014	96.4%	90.2%	89.6%	92.1%
	August 2015	98.7%	93.7%	91.6%	90.6%
	August 2016	99.6%	89.7%	88.3%	95.8%
Longley Meadows	March 2014	99.0%	90.1%	83.6%	95.7%
	August 2015	99.2%	91.9%	86.7%	93.7%
	August 2016	100%	89.1%	86.7%	97.1%
Michael Carlisle Centre	March 2014	99.2%	95.5%	89.0%	98.9%
	August 2015	99.4%	93.4%	95.5%	95.1%
	August 2016	98.7%	95.5%	85%	95.3%
Forest Close	March 2014	96.8%	92.6%	85.1%	94.5%
	August 2015	97.5%	94.2%	95.1%	97.9%
	Not assessed due to refurbishment				
Forest Lodge	March 2014	98.0%	85.4%	82.9%	95.8%
	August 2015	99.8%	92.2%	95.1%	97.9%
	August 2016	100%	89%	92.7%	97.2%
Grenoside Grange	March 2014	99.7%	94.7%	83.3%	100.0%
	August 2015	100%	93.6%	89.5%	98.5%
	August 2016	100%	89.2%	87.8%	100%
Firshill Rise	March 2014	98.5%	87.7%	91.4%	98.4%
	August 2015	99%	90.8%	94.7%	92.7%
	August 2016	98.7%	92.1%	94.4%	98.2%
National average	March 2014	97.8%	88.8%	87.7%	92.0%
	August 2015	97.5%	88.5%	89.2%	90.1%
	August 2016	97.8%	89.7%	89.7%	94.5%

3.4   Staff experience

National NHS Staff survey results
The experience of our staff indicates that they feel generally positive about working for the Trust and about the quality of care they are able to deliver. This is a positive position for us to be in, and it helps us to move forward in partnership with our staff and deliver further improvements.

OVERALL ENGAGEMENT and CARE	2014 score	2015 score	2016 Our score	2016 National averages	2016 How we compare
Overall Staff Engagement	**3.78**	**3.76**	**3.74**	**3.77**	**Average**
I would recommend my organisation as a place to work	65%	62%	61%	56%	n/a
I would recommend my organisation as a place to work or receive treatment	3.78	3.72	3.69	3.63	n/a
My organisation acts on concerns raised by service users	76%	74%	73%	74%	n/a
Care of service users is my organisation's top priority	76%	76%	74%	72%	n/a
% of staff experiencing harassment, bullying or abuse from staff in last 12 months	n/a	26%	20%	22%	Above average
TOP 5 RANKINGS – The areas we compare most favourably in with other mental health and learning disability trusts					
% of staff appraised in last 12 months	76%	89%	95%	89%	Above average
% of staff believing that the organisation provides equal opportunities for career progression or promotion	n/a	87%	90%	87%	Above average
% of staff / colleagues reporting most recent experience of harassment, bullying or abuse	n/a	61%	65%	60%	Above average
% of staff / colleagues reporting most recent experience of violence	n/a	82%	95%	93%	Above average
% of staff working extra hours (lower score is good)	62%	63%	64%	72%	Above average
Lower 5 Scores – The areas we compare least favourably in with other mental health and learning disability trusts are as follows.					
% of staff attending work in the last 3 months despite feeling unwell because they felt pressure from their manager, colleagues or	n/a	66%	67%	55%	Below average

themselves					
Quality of non-mandatory training, learning or development	n/a	3.97	3.98	4.06	Below average
% of staff experiencing physical violence from staff in last 12 months	3%	6%	4%	3%	Below average
Effective use of patient / service user feedback	n/a	3.67	3.53	3.68	Below average
% of staff feeling motivated at work	3.78	3.77	3.79	3.91	Below average

Source: NHS Staff Survey

Local staff surveys – the friends and family test
Within the Trust we complete local survey of staff experience each quarter using the *Friends and Family Staff* (FFT) survey.

	Q1	Q2	Q4
Place to work			
% of staff who would recommend Trust as a place of work	68%	63%	n/a
Average for England	64%	64%	n/a
Place to receive care			
% of staff who would recommend Trust as a place to receive care and treatment	75%	74%	n/a
Average for England	80%	80%	n/a

Source: NHS England
Note: the FFT for staff is not undertaken in Q3 due to the national staff survey being completed at that time. Q4 not available at time of publishing Report.

Our local survey results have in previous years been generally higher than the national average. This year figures show that we are:
- In line with national averages for staff recommending us as a place to work;
- Slightly below national averages for staff recommending us as a place to receive care. The national staff survey, however, shows our performance slightly above the national average regarding recommending our Trust as a place to work.

Our service user friends and family test results shown on page 46 show that nine out of 10 service users would recommend the Trust as a place to receive care.

The Trust employs around 2,700 people and as part of our responsibility to ensure we provide good quality care we participate in the annual NHS Staff Survey programme and local surveys as reported above. The NHS Staff Survey attempts to identify the major factors contributing to staff engagement and motivation. By focusing on these, we aim to enhance the quality of care provided to the people who use our services.

The NHS Staff Survey provides us with feedback on the Trust's performance across a range of relevant areas.

Overall we are encouraged with the above results, although there are areas that we still need to improve on. The positive feedback around engagement over the last several

years continues to support our on-going focus on improving quality and delivering our plans for service improvement. The full survey will be available via the CQC website. The survey provides a large amount of detail around complex issues. The Trust looks to take a balanced view on the overall picture.

Informed by the 2016 survey feedback the areas we have prioritised for on-going and further development work are as follows:

Attendance at work when feeling unwell
The level of sickness absence continues to be a focus for action for the Trust to ensure it achieves and remains lower than our organisational target of 5.1%. We have a continuous plan for raising awareness of the importance of the issue including our Promoting Attendance Conferences. From the last conference we developed a revised Action Plan which included the appointment of an Attendance and Sickness Absence Case Manager to review in detail those individuals whose level of sickness absence across the whole Trust has given cause for concern, and to provide managers with dedicated support and guidance in managing situations where triggers within the Policy have been hit. We have also undertaken a process of reviewing and renaming the existing absence management policy with a view to simplifying the language and the various stages contained within it. We are working closely with Staff Side colleagues in a partnership approach.

In managing sickness cases we recognise the importance of good quality medical advice and information to support employees both during their absence and to facilitate a supported return to work at the earliest opportunity. We have therefore started a process of reviewing the specification for our Occupational Health provision with a view to establishing what improvements can be made to the service. We already provide a confidential staff counselling service and we are looking to build on this by looking at what 'fast track' support might be put in place to support employees with physical and mental health issues from within services provided by the Trust.

Making a difference to service users
As reported in Section 2A, we have reviewed and updated our Quality Improvement and Assurance Strategy. In this strategy we recognise that if we want to make sustainable quality improvements it has to be owned and led by staff within the team concerned. Every member of staff is responsible for maintaining and delivering high standards of care and is expected to strive to improve the quality of care we provide. Our approach, through the new strategy, will ensure staff experience quality improvement positively. We will create and develop the conditions across all our services to make this a reality all of the time.

The ability for the Trust to deliver on this strategy depends on staff having the ability to engage with improvement techniques. To support this strategy we have a programme to equip staff and teams with the information, time and the skills to deliver continuous quality improvement. While we will use a range of quality improvement techniques as appropriate, the core Trust wide approach that we will use will be Microsystems improvement methodology. All teams will be trained in this methodology and have access to on-going coaching and supervision.

Through our development plans we will ensure that our clinical teams:
- Are Service User focussed and working collaboratively with service users to deliver personalised care;

- Collect and use appropriate outcome measures to understand effectiveness, safety, experience, and efficiency;
- Have fully trained staff who are supported through supervision and appraisal, understand the quality standards to be delivered and their responsibilities in this;
- Have access to and use high quality information and information technologies;
- Have training and coaching in process improvement skills;
- Have committed and shared leadership;
- Have support from the wider organisation when needed.

Effective use of service user feedback

Understanding the experiences of the people who use our services is essential if we are to be successful in achieving quality improvement. The Trust uses a range of information to monitor service quality and performance. Our approach is to work with service users so they gather feedback from service users about their experiences of services on our behalf. This provides a richer and more informed view about the experience people have of receiving care from us.

Staff experiencing physical violence from other staff

While our results in this area of the staff survey have improved this year, we continue to be concerned about any staff who are experiencing violence of any nature from other staff members. This result, from the staff survey, does not accord with any other reports under various procedures we have in place across the Trust and the survey indicates no statistically significant change from last year. We have received no complaints of this nature, no reports of serious incidents of this nature, a reduction in claims of bullying and harassment, and staff-side representatives are as perplexed by this outcome as the Trust at this stage.

Any level of violence against staff is a concern. This finding from the survey does not correlate with any reported incidents which would be regarded as gross misconduct and subject to a disciplinary process and potential dismissal. The report has been shared with Staff Side representatives and we will work together to understand the potential for such issues to be unreported. We will also continue to review incident reports to establish if they involve any indications of this issue.

Staff motivation at work

While there are some conflicting outcomes from the Staff Survey regarding staff motivation, it is pleasing that our overall score on this issue has risen slightly, especially when compared with the opposite being recorded nationally. Staff still perceive the Trust generally as a place where they or a family member would receive good treatment, and the number of staff experiencing stress is reported as a slight increase this year. This is one of the areas we will be working on as we our develop action plan to address our lower scores.

ANNEXE A

Statements from local networks, overview and scrutiny committees and Clinical Commissioning Groups

Healthwatch
Healthwatch Sheffield is pleased to be offered the opportunity to comment on the Sheffield Health and Social Care NHS Foundation Trust's Quality Report 2016/17. We have met and maintained contact with the Trust through this year, and this has provided us with a wider knowledge of the Trust's decision making, challenges, and processes.

We note that the recent CQC inspection report has rated the Trust as 'good' overall and achieved two 'outstanding' in the caring and responsive domain. We congratulate the Trust on the hard work and improvements that have been made in many areas, including improved waiting times in IAPT and Early Intervention services, and increased place of safety provision. The PLACE assessments show that the Trust has again maintained a high level of cleanliness across all sites and average or above in nearly all remaining categories and sites.

We welcome the Trust's continuing focus on closer collaboration with GPs to improve physical healthcare for post discharge patients, and the development of discharge information packs for service users to assist their continuing recovery. We are also pleased to see the work undertaken to understand issues around transition from CYP to adult mental health services, and hope the surveys will help to understand the issues and inform policy and practice. We wait to see how this progresses. Also welcome is the commitment to a significant amount of work into improved access to the Clover Group Practice services in high demand areas. We regularly receive feedback in all three of these service areas, and will continue to monitor.

The rate of patient related incidents reported seems to have increased significantly and is of concern to Healthwatch Sheffield. We appreciate that some increase may be due in part to improved reporting systems which should be welcomed. However, we feel it isn't helpful to compare figures from two different years (bed days from 2013, reported incidents from 2016, as noted in the draft Quality Report provided to us). The rate is measured per 1000 bed days to provide a proportionate view of incidents over time (and enable national comparison). If the number of bed days has been reduced significantly, we should expect to see a proportionately significant reduction in reported incidents. This does not seem to have happened and therefore remains a concern.

We are pleased to see the priority of improving patient experience through service user engagement this year has developed well, with an increase in service user groups, mapping exercise, friends and family tests; and that this feedback is helping to inform individual teams as well as Trust wide services. We hope these initiatives continue to help shape processes.

We thank the Trust for their work this year and look forward to working with them in 2017/18.

Healthwatch
09 May 2017

Our response
We welcome the feedback from Healthwatch and their acknowledgments of progress made over the last year. We have discussed the concerns regarding our incident reporting rate with our Commissioners, who hold a different perspective to Healthwatch, indeed they see this shows our positive safety culture. We welcome the opportunity to discuss this further at our next scheduled session.

Sheffield City Council's Healthier Communities and Adult Social Care Scrutiny and Policy Development Committee
We welcome the opportunity to comment on the Trust's Quality Account for 2016/17.

During the course of our scrutiny work this year, no concerns have been raised with us about service delivery or performance of the Trust. We are pleased to note that the Care Quality Commission has rated the Trust as 'Good', and welcome the progress that has been made towards achieving last year's quality goals, particularly around waiting times for the Memory Clinic and IAPT. We are pleased to see that the report sets out what further improvement action will be taken where further progress is required.

We are pleased to see that this year's quality goals are clearly set out, alongside how they will be measured. We look forward to seeing the progress made against these goals next year.

Sheffield City Council's Healthier Communities and Adult Social Care Scrutiny and Policy Development Committee
09 May 2017

Our response
We welcome the feedback from the Committee in respect of the acknowledgments of progress made over the last year, along with areas for further consideration.

Sheffield Clinical Commissioning Group
NHS Sheffield Clinical Commissioning Group (CCG) has had the opportunity to review and comment on the information contained within this Quality Report prior to its publication. Sheffield Health and Social Care NHS Foundation Trust have considered our comments and have made amendments where necessary. The CCG is therefore confident that to the best of our knowledge the information supplied within this report is factually accurate and a true record, reflecting the Trust's performance over the period April 2016 – March 2017.

The CCG commissions Sheffield Health and Social Care NHS Foundation Trust to provide a range of general and specialised mental health and learning disability services. We aspire to continually improve the quality of services provided by the Trust and the experience of those people who use them. We do this by reviewing and assessing the Trusts performance against a series of key performance indicators as well as evaluating contractual performance. We also work closely with the Care Quality Commission, who are the independent regulator of all health and social care services in England, as well as NHS Improvement who are the sector regulator for health services in England, to ensure that care provided by the Trust meets the regulators requisite standards and that the Trust is well led and is run efficiently.

This Quality Report evidences that the Trust has achieved positive results against most of its key objectives for 2016/17. Where issues relating to clinical quality have been

identified, we have worked closely with the Trust to ensure that improvements are made. We will continue to take this approach into 2017/18 and beyond, through what will be a very challenging period for the NHS. We will continue to build on existing good clinical and managerial relationships to proactively address issues relating to clinical quality so that standards of care and governance are upheld whilst services continue to evolve to ensure they meet the changing needs of our local population.

Sheffield Clinical Commissioning Group
19 May 2017

Our response
We welcome the comments and response from NHS Sheffield Clinical Commissioning Group.

We look forward to working with the CCG during 2017/18 to ensure the plans in place to deliver the necessary improvements will result in real benefits and improved outcomes for the people of Sheffield.

ANNEXE B

2016/17 STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE QUALITY REPORT

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

NHS Improvement has issued guidance to NHS Foundation Trust Boards on the form and content of annual Quality Reports (which incorporate the above legal requirements) and on the arrangements that Foundation Trust Boards should put in place to support the data quality for the preparation of the Quality Report.

In preparing the Quality Report, Directors are required to take steps to satisfy themselves that:
- The content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2016/17 and supporting guidance;
- The content of the Quality Report is not inconsistent with internal and external sources of information including:
  - Board minutes and papers for the period April 2016 to May 2017;
  - Papers relating to Quality reported to the Board over the period April 2016 to May 2017;
  - Feedback from the Commissioners dated 19 May 2017;
  - Feedback from Governors dated 27 April 2017;
  - Feedback from local Healthwatch organisations dated 09 May 2017;
  - Feedback from the Overview and Scrutiny Committee dated 09 May 2017;
  - The Trust's complaints report published under Regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated July 2016;
  - The latest national patient survey issued in November 2016;
  - The latest national staff survey issued March 2017;
  - The Head of Internal Audit's annual opinion over the Trust's control environment dated 26 May 2017; and
  - Care Quality Commission report following its inspection of Trust services published in March 2017 and intelligent monitoring reports issued during 2016/17;
- The Quality Report presents a balanced picture of the NHS Foundation Trust's performance over the period covered;
- The performance information reported in the Quality Report is reliable and accurate;
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice; and
- The data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review;
- and the Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

The Directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By order of the Board

Chair   26 May 2017
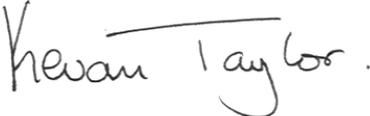
Chief Executive   26 May 2017

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF SHEFFIELD HEALTH AND SOCIAL CARE NHS FOUNDATION TRUST ON THE QUALITY REPORT

We have been engaged by the Council of Governors of Sheffield Health and Social Care NHS Foundation Trust to perform an independent assurance engagement in respect of Sheffield Health and Social Care NHS Foundation Trust's Quality Report for the year ended 31 March 2017 (the 'Quality Report') and certain performance indicators contained therein.

Scope and subject matter
The indicators for the year ended 31 March 2017 subject to limited assurance consist of the following two national priority indicators (the indicators):
- 100% enhanced Care Programme Approach patients receiving follow-up contact within seven days of discharge from hospital; and
- admissions to inpatient services had access to crisis resolution home treatment teams.

We refer to these national priority indicators collectively as the 'indicators'.

Respective responsibilities of the directors and auditors
The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the NHS Foundation Trust Annual Reporting Manual issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:
- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the Detailed requirements for quality reports for foundation trusts 2016/17 ('the Guidance'); and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Detailed Requirements for external assurance for quality reports for foundation trusts 2016/17.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:
- Board minutes and papers for the period April 2016 to May 2017;
- papers relating to quality reported to the board over the period April 2016 to May 2017;
- feedback from commissioners, dated 19 May 2017;
- feedback from governors, dated 27 April 2017;
- feedback from local Healthwatch organisations, dated 9 May 2017;

- feedback from Overview and Scrutiny Committee, dated 9 May 2017;
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;
- the 2016 national patient survey;
- the 2016 national staff survey;
- Care Quality Commission Inspection, dated 30 March 2017;
- the 2016/17 Head of Internal Audit's annual opinion over the Trust's control environment, dated 26 May 2017; and
- any other information included in our review.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Sheffield Health and Social Care NHS Foundation Trust as a body, to assist the Council of Governors in reporting the NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2017, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicator. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Sheffield Health and Social Care NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed
We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:
- evaluating the design and implementation of the key processes and controls for managing and reporting the indicator;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance.

The scope of our assurance work has not included governance over quality or the non-mandated indicator, which was determined locally by Sheffield Health and Social Care NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2017:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the Guidance; and
- the indicator in the Quality Report subject to limited assurance has not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

KPMG LLP
Chartered Accountants
1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA

26 May 2017
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Section 5.0 Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF SHEFFIELD HEALTH AND SOCIAL CARE NHS FOUNDATION TRUST ONLY

Independent auditor's report

to the Council of Governors of Sheffield Health and Social Care NHS Foundation Trust only

Opinions and conclusions arising from our audit

1. Our opinion on the financial statements is unmodified

We have audited the financial statements of Sheffield Health and Social Care NHS Foundation Trust for the year ended 31 March 2017 set out on pages 169 to 210. In our opinion:

— the financial statements give a true and fair view of the state of the Trust's affairs as at 31 March 2017 and of the Trust's income and expenditure for the year then ended; and

    — the Trust's financial statements have been properly prepared in accordance with the Department of Health's Group Accounting Manual 2016/17.

Overview	
Materiality: Financial statements as a whole	£2m (2015/16:£2m)
	1.7% (2015/16: 1.6%) of total revenue
Risks of material misstatement 2015/16	**vs**
Recurring risks	Valuation of Land and Buildings ▼
	Recognition of Income from Activities ◄►
	Recognition of Other Operating Income ◄►

2. Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements, the risks of material misstatement that had the greatest effect on our audit, in decreasing order of audit significance, were as follows (unchanged from 2015/16):

	The risk	Our response
Income (Income from Activities £95.8 million; 2015/16: £98.2) Other Operating Income (£28.6 million; 2015/16: £29.7m) *Refer to pages 18 to 19 Audit Committee Report), pages 174 to 175 (accounting policy) and pages 188 to 190 (financial disclosures).*	**Recognition of NHS Income** The main source of income for the Trust is the provision of healthcare services to the public under contracts with NHS commissioners, which make up 70% (prior year 69%) of operating income. In addition to patient care income the Trust also receives a significant proportion (23% compared to 23% in 2015/16) from non-patient care activities. Much of this income is generated by contracts with other NHS and non-NHS bodies. The Trust participates in the national Agreement of Balances (AoB) exercise for the purpose of ensuring that intra-NHS balances are eliminated on the consolidation of the Department of Health's resource accounts. The AoB exercise identifies mismatches between income and expenditure and receivable and payable balances recognised by the Trust and its commissioners. Mis-matches can occur for a number of reasons, but the most significant arise where: • the Trust and commissioners record different accruals for completed periods of healthcare which have not yet been invoiced; • income relating to partially completed period of healthcare is apportioned across the financial years and the commissioners and the Trust make different apportionment assumptions; • accruals for out-of-area treatments not covered by direct contracts with commissioners, but authorised by, for example, GPs on behalf of commissioners, are not recognised by commissioners; or • there is a lack of agreement over proposed contract penalties for sub-standard performance. Where there is a lack of agreement, mis-matches can also be classified as formal disputes and referred to NHS England Area Teams for resolution. We do not consider NHS income to be at high risk of significant misstatement, or to be subject to a significant level of judgement. However, due to its materiality in the context of the financial statements as a whole NHS income is considered to be one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	Our procedures included: — **Agreement to contracts:** For the two largest NHS commissioners, we agreed the income recorded in the financial statements to contracts and contract variations with commissioners. — **AoB exercise:** Using the results of the AoB exercise to match the Trust's NHS income with counterparty expenditure. We investigated differences greater than £100,000 by reconciling the initial contract value with the counterparty to the final income reported in the financial statements, determining the reasons for any differences and critically assessing the validity of recognising reconciling income items in the Trust's financial statements.

2. Our assessment of risks of material misstatement (continued)

	The risk	Our response
Income from Activities (£95.8 million; 2015/16: £98.2m) **Other Operating Income** (£28.6 million; 2015/16: £29.7m) *Refer to pages 18 to 19 Audit Committee Report), pages 174 to 175 (accounting policy) and pages 188 to 190 (financial disclosures).*	**Recognition of non-NHS income** In addition to patient care income the Trust also receives a significant proportion (23% compared to 23% in 2015/16) from non-patient care activities, principally social care support to people with learning disabilities, education and training, and research and development. Much of this income is generated by contracts with other NHS and non-NHS bodies which are based on varied payment terms, including payment on delivery, milestone payments and periodic payments. Consequently there is a greater risk that income will be recognised on a cash rather than an accruals basis	Our procedures included: — **Agreement to contracts:** For the three largest non-NHS commissioners, we agreed the income recorded in the financial statements to signed contracts and contract variations with commissioners. — **Transactions close to year end:** For a sample of invoices raised immediately before and after the balance sheet date, we checked that income had been recognised in the correct financial period.

2. Our assessment of risks of material misstatement (continued)

	The risk	Our response
Land and Buildings (£55.1 million; 2015/16: £52.5m) *Refer to page s 18 to 19 Audit Committee Report), pages 177 to 180 (accounting policy) and pages 195 to 196 (financial disclosures).*	**Valuation of Land and Buildings** Land and buildings are required to be held at fair value. The Trust's main land and buildings relate to multiple sites across Sheffield. Land and buildings are required to be maintained at up to date estimates of year-end market value in existing use (EUV) for non-specialised property assets in operational use, and, for specialised assets where no market value is readily ascertainable, the depreciated replacement cost (DRC) of a modern equivalent asset that has the same service potential as the existing property. There is significant judgment involved in determining the appropriate basis (EUV or DRC) for each asset according to the degree of specialisation, as well as over the assumptions made in arriving at the valuation of the asset. In particular the DRC basis of valuation requires an assumption as to whether the replacement asset would be situated on the existing site or, if more appropriate, on an alternative site. Furthermore, DRC is decreased if VAT on replacement costs is deemed to be recoverable. Both of these assumptions can have potentially significant effects on the valuation. Valuations are completed by an external expert engaged by the Trust using construction indices and so accurate records of the current estate are required. Full valuations are completed every five years, with interim desktop valuations completed in interim periods. Valuations are inherently judgmental, therefore our work focused on whether the methodology, assumptions and underlying data, are appropriate and correctly applied. The Trust had a full valuation undertaken at the 31 March 2016. At 31 March 2017, the Trust undertook a desktop assessment of the current value of PPE on the basis of indices provided by the valuer. This resulted in no change to the value of the land and buildings balance from 31 March 2016	Our procedures included: — **Reliance on valuer:** We assessed the competence, capability, objectivity and independence of the Trust's external valuer and considered the information provided to the Trust in 2016/17, to inform its assessment of market value movements, for consistency with the requirements of the NHS Foundation Trust Annual Reporting Manual. — **Calculation of movements:** We critically assessed the calculation of market value indices movements completed by the Trust, including a re-performance of this calculation to confirm that no material movement in the value of land and building assets is indicated. — **Market indices:** We agreed the data underpinning the Trust's calculation of market value movements to the RICS data provided by the valuer and to external sources of evidence. — **Impairment assessment**: We critically assessed the Trust's formal consideration of indications of impairment and surplus assets within its estate, including the process undertaken and the adequacy of the formal, written decision document used in the process.

3. Our application of materiality and an overview of the scope of our audit

The materiality for the financial statements was set at £2 million (2015/16: £2 million), determined with reference to a benchmark of income from operations (of which it represents approximately 1.7%). We consider income from operations to be more stable than a surplus-related benchmark. We report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £100,000 (2015/16: £100,000), in addition to other identified misstatements that warrant reporting on qualitative grounds.

Total income from operations
£121.2m
(2015/16: £128.7 m)

Materiality

■ Total income from operations
■ Materiality

£ 2m
Whole financial statements materiality (2015/16: £ 2m)

£ 100,000
Misstatements reported to the Audit Committee (2015/16: £100,000)
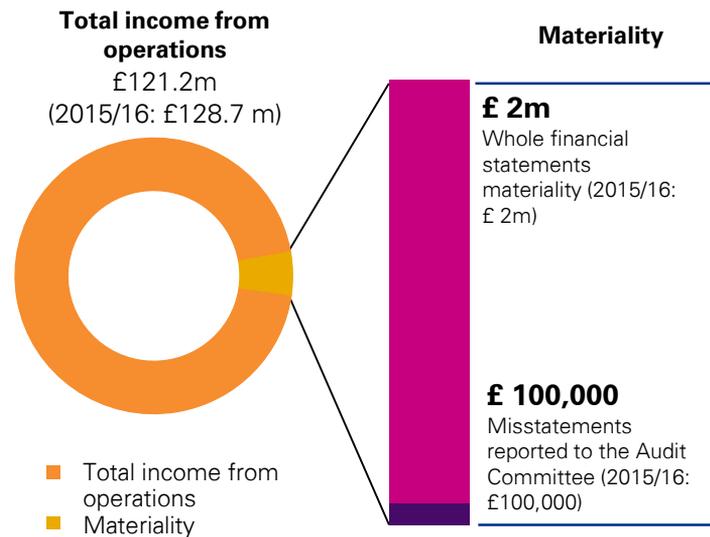
4. Our opinion on other matters prescribed by the Code of Audit Practice is unmodified

In our opinion:

— the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2016/17; and

— the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

5. We have nothing to report in respect of the matters on which we are required to report by exception

We are required to report to you if, based on the knowledge we acquired during our audit, we have identified information in the Annual Report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

— we have identified material inconsistencies between the knowledge we acquired during our audit and the directors' statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable; or

— the Audit Committee's commentary on pages 17 to 20 of the Annual Report does not appropriately address matters communicated by us to the Audit Committee.

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

— the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2016/17, is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.

— the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in its use of resources.

In addition we are required to report to you if:

— any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.

— any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

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

6. We have completed our audit

We certify that we have completed the audit of the accounts of Sheffield Health and Social Care NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.

Scope and responsibilities

As described more fully in the Statement of Accounting Officer's Responsibilities on page 67 the accounting officer is responsible for the preparation of financial statements that give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the UK Ethical Standards for Auditors. A description of the scope of an audit of financial statements is provided on our website at www.kpmg.com/uk/auditscopeother2014. This report is made subject to important explanations regarding our responsibilities, as published on that website, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General, as to whether the Trust has proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary.

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This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust as a body, for our audit work, for this report or for the opinions we have formed.

Rashpal Khangura for and on behalf of KPMG LLP
Chartered Accountants and Statutory Auditor
1 Sovereign Square, Sovereign Street,
Leeds, LS1 4DA

26 May 2017

Section 6.0 Accounts
Foreword to the accounts

Sheffield Health and Social Care NHS Foundation Trust

These accounts for the year ended 31 March 2017 have been prepared by Sheffield Health and Social Care NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006.

After making enquiries the Directors have a reasonable expectation that the NHS Foundation Trust has adequate resource to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.
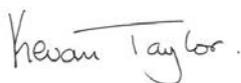
Kevan Taylor
Chief Executive (as Accounting Officer)
26 May 2017

The Accounts of Sheffield Health and Social Care NHS Foundation Trust for the period ending 31 March 2017 follow. The four primary statements; the Statement of Comprehensive Income (SOCI), the Statement of Financial Position (SOFP), the Statement of Changes in Taxpayers' Equity (SOCITE), and the Statement of Cashflows (SCF) are presented first. These are followed by the supporting notes to the accounts.

Note 1 outlines the Foundation Trust's accounting policies. Subsequent notes provide further detail on lines in the four primary statements and are cross referenced accordingly.

The financial statements (Accounts) were approved by the Board on 26 May 2017 and signed on its behalf by:
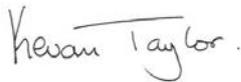
(Chief Executive)
26 May 2017

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Note	2016/17 £000	2015/16 £000
Operating income from continuing operations	3	**121,170**	128,216
Operating expenses of continuing operations	4	**(117,422)**	(127,145)
Operating surplus		**3,748**	1,071
Finance costs:			
Finance income	6	**49**	71
Finance expense – financial liabilities	7	**(24)**	(28)
Finance expense – unwinding of discount on provisions	16.1	**(2)**	(10)
Public Dividend Capital (PDC) dividend payable		**(1,697)**	(1,712)
Net finance costs		**(1,674)**	(1,679)
Gains/(Losses) of disposal of assets		**(280)**	469
Surplus/(deficit) from continuing operations		**1,794**	(139)
Surplus/(deficit) of discontinued operations		**(265)**	0
SURPLUS/(DEFICIT) FOR THE YEAR		**1,529**	(139)
Other comprehensive income and expenses			
Impairment losses on property, plant and equipment		**0**	(6,374)
Revaluation gains on property, plant and equipment		**0**	3,426
Other recognised gains and (losses)		**1,905**	(1,046)
Remeasurements assets/(liabilities) on defined benefit pension schemes		**(2,180)**	936
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,254**	(3,197)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	31 March 2017 £000	31 March 2016 £000
Non-current assets			
Intangible assets	8	**152**	65
Property, plant and equipment	9	**55,102**	55,569
Investment property	10	**200**	200
Trade and other receivables	12	**5,953**	3,955
Total non-current assets		**61,407**	59,789
Current assets			
Inventories	11	**59**	99
Trade and other receivables	12	**8,389**	6,932
Cash and cash equivalents	13	**27,756**	25,771
Total current assets		**36,204**	32,802
Current liabilities			
Trade and other payables	15	**(6,617)**	(7,741)
Taxes payable	15	**(1,815)**	(1,625)
Provisions	16	**(3,742)**	(1,533)
Other liabilities	17	**(152)**	(50)
Total current liabilities		**(12,326)**	(10,949)
Total assets less current liabilities		**85,285**	81,642
Non-current liabilities			
Provisions	16	**(768)**	(731)
Other liabilities	17	**(6,714)**	(4,427)
Total non-current liabilities		**(7,482)**	(5,158)
Total assets employed		**77,803**	76,484
Financed by taxpayers' equity:			
Public Dividend Capital		**33,991**	33,926
Revaluation Reserve	9.3	**16,627**	16,633
Income and expenditure reserve		**27,185**	25,925
Total tax payers' equity		**77,803**	76,484

Kevan Taylor.

Chief Executive (as Accounting Officer)
26 May 2017

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDING 31 MARCH 2017

Changes in taxpayers' equity for 2016/17	Public Dividend Capital £000	Revaluation Reserve £000	Income & Expenditure Reserve £000	Total £000
Taxpayers' equity at 01 April 2016	33,926	16,633	25,925	**76,484**
Surplus for the year	-	-	1,529	**1,529**
Transfer to the income and expenditure account	-	(6)	6	**-**
Other recognised gains and losses*	-	-	1,905	**1,905**
Remeasurements on defined benefits pension scheme	-	-	(2,180)	**(2,180)**
Public Dividend Capital received	65	-	-	**65**
Taxpayers' equity 31 March 2017	**33,991**	**16,627**	**27,185**	**77,803**
Changes in taxpayers' equity for 2015/16				
Taxpayers' equity at 1 April 2015	33,926	19,804	25,951	**79,681**
Surplus for the year	-	-	(139)	**(139)**
Impairment losses on property, plant and equipment	-	(6,374)	-	**(6,374)**
Revaluation gains on property, plant and equipment	-	3,426	-	**3,426**
Transfer to the income and expenditure account	-	(223)	223	**-**
Other recognised gains and losses*	-	-	(1,046)	**(1,046)**
Remeasurements on defined benefits pension scheme	-	-	936	**936**
Taxpayers' equity at 31 March 2016	**33,926**	**16,633**	**25,925**	**76,484**

The amounts included within the revaluation reserve relate to property, plant and equipment.

* £1,905,000 (£1,046,000) at 31 March 2016) relates to the back to back agreement with Sheffield City Council in respect of the Local Authority defined benefit pension scheme on the Statement of Financial Position.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	Note	2016/17 £000	2015/16 £000
Cash flows from operating activities			
Operating surplus from continued operations	SOCI	**3,483**	1,071
Non-Cash income and expense			
Depreciation and amortisation	9	**2,317**	2,254
Impairments and reversals	9	**-**	1,201
(Increase)/decrease in trade and other receivables	SOFP	**(1,521)**	(1,618)
(Increase)/decrease in inventories	SOFP	**40**	31
Increase/(decrease) in trade and other payables	SOFP	**(498)**	447
Increase/(decrease) in other liabilities	SOFP	**102**	37
Increase/(decrease) in provisions	SOFP	**2,243**	714
Other movements in operating cash flows	SOFP	**(7)**	-
Net cash generated from operations		**6,159**	4,137
Cash flows from investing activities			
Interest received	6	**52**	71
Purchase of intangible assets	8	**(91)**	(60)
Purchase of property, plant and equipment	9	**(2,562)**	(6,169)
Receipts from disposal of property, plant and equipment	9	**-**	636
Net cash outflow from investing activities		**(2,601)**	(5,522)
Cash flows from financing activities			
PDC received		**65**	-
PDC dividend paid		**(1,638)**	(1,777)
Net cash generated used in financing activities		**(1,573)**	(1,777)
Net increase in cash and cash equivalents		**1,985**	(3,162)
Cash & cash equivalents as at 01 April		**25,771**	28,933
Cash & cash equivalents as at 31 March	13	**27,756**	25,771

Supporting notes to the accounts

Note 1. Accounting Policies and other information

1 Accounting policies and other information

NHS Improvement, in exercising the statutory functions conferred on Monitor is responsible for issuing an accounts direction to NHS Foundation Trusts under the NHS Act 2006. NHS Improvement has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the Department of Health Group Accounting manual (DH GAM) which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the DH GAM 2016/17 issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (FReM) to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Sheffield Health and Social Care NHS Foundation Trust ("the Trust") achieved Foundation Trust status on 01 July 2008.

1.1 Accounting Period

The accounts of the Trust have been drawn up for the year to 31 March 2017. These accounts have been prepared on a going concern basis.

1.2 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.

1.3 Acquisitions and Discontinued Operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

1.4 Consolidation

The Trust is one of the related Charities to Sheffield Hospitals Charitable Trust, under the umbrella registration of 1059043-3. The Trust is not a corporate trustee of the charity. The Trust has assessed its relationship to the charitable fund and determined it not to be a subsidiary because the Trust does not have the power to govern the financial and operating policies of the charitable fund so as to obtain benefits from its activities for itself, its patients or its staff.

The Trust will not be consolidating the Sheffield Hospitals Charitable Trust. The Department of Health corresponds directly with NHS charities whom are independent of their linked Trust (with independent trustees) to obtain the information they require to consolidate the Department of Health group. Sheffield Hospitals Charity is one such charity.

Other subsidiaries
Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position. The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year except where a subsidiary's financial year end is before 01 January or after 01 July in which case the actual amounts for each month of the Trust's financial year are obtained from the subsidiary and consolidated. Where subsidiaries' accounting policies are not aligned with those of the Trust (including where they report under UK FRS 102) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation. Subsidiaries which are classified as held for sale are measured at the lower of their carrying amount and 'fair value less costs to sell'.

During 2015/16 the Trust established an operating company, 7 Hills Care and Support Ltd wholly owned by the Trust and which has remained dormant during 2016/17.

Associates
Associate entities are those over which the Trust has the power to exercise a significant influence. Associate entities are recognised in the Trust's financial statement using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the Trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution, e.g., share dividends are received by the Trust from the associate. Associates which are classified as held for sale are measured at the lower of their carrying amount and "fair value less costs to sell". During 2016/17 the Trust recognises no Associates.

Joint ventures
Joint ventures are arrangements in which the Trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method. During 2016/17 the Trust recognises no Joint ventures.

Joint operations
Joint operations are arrangements in which the Trust has joint control with one or more other parties and has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Trust includes within its financial statements its share of the assets, liabilities, income and expenses. During 2016/17 the Trust recognises no Joint operations.

1.5 Income
The main source of income for the Trust is from Clinical Commissioning Groups, which are government funded Commissioners of NHS health and patient care.

Income is recognised in the period in which services are provided and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with Commissioners in respect of health and social care services. Where

income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Interest income is accrued on a time basis, by reference to the principal outstanding and interest rate applicable.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

1.6 Expenditure on Employee Benefits
Short-term Employee Benefits
Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

1.6.1 NHS Pension Scheme
Past and present employees are covered by the provisions of the two NHS Pensions Schemes. Details of the benefits payable and the rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded, defined benefit schemes that covers 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 the scheme is taken as equal to the contributions payable to the 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 the 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 are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2017, is based on valuation data as 31 March 2016, updated to 31 March 2017 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 scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension 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 scheme (taking into account its recent demographic experience), and to recommend the contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relatives to the employer cost cap. There are provision in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

1.6.2 Local Government Pension Scheme
Some employees are members of the Local Government Pension Scheme, administered by the South Yorkshire Pensions Authority, which is a defined benefit pension scheme. The scheme assets and liabilities attributable to these employees can be identified and are recognised in the Trust's accounts. The assets are measured at fair value, and the liabilities at the present value of future obligations.

The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The net interest cost during the year arising from the unwinding of the discount on the net scheme liabilities is recognised within finance costs. Re-measurements of the defined benefit plan are recognised in the income and expenditure reserve and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. These postings are mostly countered by the terms of the current partnership agreement.

The terms of the current partnership agreement with Sheffield City Council ('the Council') provide that any long term pension liability arising from the scheme will be funded by the Council, with the exception of any pension changes which relate to salary increases in excess of any local government grading agreements. The impact on the current and prior year Statement of Comprehensive Income and Statement of Changes in Taxpayers' Equity relating to the application of IAS 19 - 'Employee Benefits' within the accounts of the Trust is mostly negated by the inclusion of a corresponding non-current receivable with the Council. For further information see note 24.

1.6.3 NEST Pension Scheme
The Trust is a member of the National Employment Savings Trust (NEST) pension scheme which operates as a defined contribution plan. The Trust pays contributions into a fund but has no legal or constructive obligation to make further payments if the fund does not have sufficient assets to pay all of the employees' entitlements to post-employment benefits. The Trust's obligation is therefore limited to the amount it agrees to contribute to the fund and effectively place actuarial and investment risk on the

employee. The amount recognised in the period is the contribution payable in exchange for service rendered by employees during the period.

1.7 Expenditure on 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.

1.8 Property, Plant and Equipment
1.8.1 Recognition
Property, Plant and Equipment is capitalised where: it is held for use in delivering services or for administrative purposes; it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; it is expected to be used for more than one financial year; the cost of the item can be measured reliably; and the item has a cost of at least £5,000; or collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control (a "grouped asset"); or items form part of the initial equipping and setting-up cost of a new building, ward or unit, (treated as a "grouped asset") .

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

1.8.2 Measurement
Initial valuation
All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at valuation. An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

Land and buildings used for the Trust's services or for administrative purposes are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. The current revaluation policy of the Trust is to perform a full valuation every five years with an interim valuation in the third year. These valuations are carried out by professionally qualified valuers in accordance with Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual. Fair values are determined as follows:
- Land and non-specialised buildings – market value taking into account existing use
- Specialised buildings – depreciated replacement cost

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where a service could be provided in any part of the City, the Trust has used the alternative site valuation method.

A full revaluation was last undertaken as at 31 March 2016.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are re-valued and depreciation commences when they are brought into use.

The carrying value of plant and equipment is written off over their remaining useful lives and new plant and equipment is carried at depreciated historic cost as this is not considered to be materially different from fair value.

Subsequent expenditure
Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably.

Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

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

The estimated useful economic lives used by the Trust are as follows:

	Minimum life – Years	Maximum life - Years
Assets held under finance lease:	*lower of lease term of useful economic life*	
Buildings – Freehold	15	50
Plant and Machinery	5	15
Transport Equipment	3	7
Information Technology	3	7
Furniture and Fittings	7	10

Property, plant and equipment which has been reclassified as 'Held for Sale' ceases 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

Increases in asset values arising from 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 as operating income.

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

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income.

1.8.3 Impairments

In accordance with the DH GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the assets 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. As the Trust has no current or prior year impairments of this type, no adjustment is required.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when and to the extent that, the circumstance that gave rise to the loss is reversed. Reversals are recognised in operating income 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 revaluation reserve when the impairment reversal is recognised.

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

1.8.4 De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met; the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales; the sale must be highly probable in that management are committed to a plan to sell the asset; an active programme has begun to find a buyer and complete the sale; the asset is being actively marketed at a reasonable price; the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

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

1.8.5 Donated, government grant and other 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.

1.9 Intangible assets
1.9.1 Recognition

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

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

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

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

1.9.2 Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management, provided this exceeds £5,000.

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. Revaluation gains and losses and impairments are treated in the same manner as for property, plant and equipment.

An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5. Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

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

1.10 Investment property
Investment property comprises properties that are held to earn rentals or for capital appreciation or both. It is not depreciated but is stated at fair value based on regular valuations performed by professionally qualified valuers. Fair value is based on current prices for similar properties in the same location and condition. Any gain or loss arising from the change in fair value is recognised in the Statement of Comprehensive Income. Rental income from investment property is recognised on a straight line basis over the term of the lease.

1.11 Government and other grants
Government grants are grants from Government bodies other than income from clinical commissioning groups or NHS Trusts for the provision of services. Where a Government grant is used to fund expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

During 2016/17 no government grants or other grants were received.

1.12 Donated 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 imposes a condition that the future economic benefits embodied in the donation/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 the grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

During 2016/17 no donated assets were received.

1.13 Non-current assets held for sale
Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their existing carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses. Depreciation ceases to be charged when assets are classified as 'held for sale'. Assets are de-recognised when all material sale contract conditions have been met.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the income statement. On disposal, the balance for the asset on the revaluation reserve, donated asset reserve or government grant reserve is transferred to retained earnings.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale'. Instead, it is retained as an operational asset and the economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

1.14 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.

1.15 Financial instruments, financial assets and financial liabilities
1.15.1 Recognition
Financial assets and financial liabilities which arise from contracts for 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, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

1.15.2 Measurement
Financial assets are categorised as 'Loans and receivables'.
Financial liabilities are classified as 'Other Financial liabilities'.

a) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets. The Trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and 'other receivables'. Loans and receivables are recognised initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the next carrying amount of the financial asset. Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income. Loans from the Department of Health are not held for trading and are measured at historic cost with any unpaid interest accrued separately.

b) Other financial liabilities
All 'other' financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability. They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities. Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and

charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

1.15.3 Impairment of financial assets
At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of a bad debt provision.

1.15.4 De-recognition
All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership.

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

1.16 Leases
1.16.1 Finance leases
Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

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

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability is derecognised when the liability is discharged, cancelled or expires. During 2016/17 the Trust has no finance leases.

1.16.2 Operating leases
Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

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

1.17 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 at the reporting date. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates mandated by HM Treasury.

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

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. The contribution is charged to operating expense. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at note 16.1 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 the NHS Litigation Authority 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.

1.18 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 Trust's control) are not recognised as assets, but are disclosed in note 19 where an inflow of economic benefits is probable. As at 31 March 2017 the Trust has no contingent assets.

Contingent liabilities are not recognised, but are disclosed in note 18, 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 Trust'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.

1.19 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

Trust, being Sheffield Care Trust. The Secretary of State can issue new PDC to, and require repayments of, PDC from the Foundation Trust. PDC is recorded at the value received. HM Treasury has determined that, as PDC is issued under legislation rather than under contract, it is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of the PDC), the dividend for the year is calculated on the average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

1.20 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 property, plant and equipment assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.21 Corporation Tax
The Finance Act 2004 amended Section 519A of the Income and Corporation Taxes Act 1998 to provide power to the Treasury to make certain non-core activities of the Trust, which are not related to, or ancillary to, the provision of healthcare and where profits exceed £50,000 per annum, are potentially subject to corporation tax and should be subject to a review.

The Trust has carried out a review of corporation tax liability of its non-healthcare activities. At present all activities are either ancillary to patient care activity or below the de-minimis £50,000 profit level at which corporation tax is due.

1.22 Foreign exchange
The functional and presentational currencies of the Trust are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction. Where the Trust has assets or liabilities denominated in foreign currency at the Statement of Financial Position date:
- monetary items (other than financial instruments measured at fair value through income and expenditure) are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising from the settlement of the transaction or on retranslation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise. Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.23 Third party assets
Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in note 20 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

1.24 Losses and special payments
Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided in to different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

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

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

1.26 Accounting Standards that have been issued but have not yet been adopted
The DH GAM does not require the following Standards and Interpretations to be applied in 2016/17. These standards are still subject to HM Treasure FReM adoption, with IFRS 9 and IFRS 15 being for implementation in 2018/19, and the government implementation date for IFRS 16 still subject to HM Treasure consideration.

- IFRS 9 Financial Instruments – application required for accounting periods on or after 1 January 2018, but not yet adopted by the FReM: Early adoption is not permitted.
- IFRS 14 Regulatory Deferral Accounts - Not yet EU-endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DH group bodies.
- IFRS 15 Revenue from Contracts with Customers - Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRS 16 Leases - Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.

- IFRIC 22 Foreign Currency Transactions and Advance Consideration – Application required for accounting periods beginning on or after 1 January 2018.

The Trust has considered the above new standards, interpretation and amendments to published standards that are not yet effective and concluded that they are either not relevant to the Trust or that they would not have a significant impact on the Trust's financial statements, apart from some additional disclosures. This conforms with the DH GAM 2016/17, which requires that any amendments to standards are applied in accordance with the applicable timetable, with early adoption not permitted.

1.27 Critical Judgements and key sources of estimation uncertainty
In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The Trust confirms that it has not used any key assumptions concerning the future or had any key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year that need to be disclosed under IAS1.

The main area of estimation uncertainty within the Trust is the carrying value of the property portfolio and the assumptions used in the determination of fair value at the Statement of Financial Position date. In accordance with Trust policy, a property valuation is commissioned every five years with interim valuations every third year. The revaluations are undertaken by professional valuers and significantly reduce the risk of material misstatement. Refer to Paragraph 1.8 for further details.

Provisions have been calculated having recognised an obligating event during the year and include estimates and assumptions relating to the carrying amounts and timing of the anticipated payments. The litigation provisions are based on estimates from the NHS Litigation Authority and the injury benefit provisions on figures from NHS Pensions. Refer to Paragraph 1.17 for further details.

A further area where estimation is required relates to the net liability to pay pensions in respect of the staff who transferred to the Trust from Sheffield City Council. This estimation depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in the retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged by the South Yorkshire Pensions Authority to provide the Trust with expert advice about the assumptions to be applied. Refer to Paragraph 1.6.2 and note 24 for further details.

1.28 Transfers of functions from other NHS Bodies
For functions that have been transferred to the Trust from another NHS or local government body, the assets and liabilities are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain or loss corresponding to the net assets or liabilities transferred is recognised within income or expenses, but not within operating activities.

For property, plant and equipment assets and intangible assets, the cost and accumulated depreciation/amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a

transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the Trust has transferred to another NHS or local government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss or gain corresponding to the net assets or liabilities transferred is recognised within expenses/income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve. Adjustments to align the acquired function to the Foundation Trust's accounting policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

2 Operating Segments

The Trust considers that it has one operating segment, that being the provision of health and social care. All revenues are derived from within the UK. Details of operating income by classification and operating income by type are given in note 3.

3 Operating income

	2016/17	Restated 2015/16
3.1 Operating income by classification comprises:	**£000**	£000
Income from activities		
Cost & Volume Income*	**-**	3,883
Block contract income	**83,849**	82,135
Clinical partnerships providing mandatory services (including Section 75 agreements)	**2,749**	3,159
Other clinical income	**9,161**	9,012
Total income from Commissioner-requested services	**95,759**	98,189
Other operating income		
Research and development	**1,845**	1,221
Education and training	**6,000**	6,288
Non-patient care services to other bodies	**14,183**	17,152
Sustainability and Transformation Fund Income	**1,459**	-
Other income	**809**	1,040
Reversal of impairments of property, plant and equipment	**-**	326
Rental revenue from operating leases	**340**	313
Income in respect of staff costs	**3,945**	3,687
	28,581	30,027
Total operating income	**124,340**	128,216

* Cost and Volume income in 2015/16 related to the GP Practice service provided by the Trust via contract with NHS England. In 2016/17 this contract transferred to Sheffield CCG, and therefore income relating to this contract is now included within the Block Contract Income line.

3.2 Private patient income

The Trust has no private patient income in 2016/17 (2015/16 £nil).

3.3 Operating lease income

Rental income from operating leases:	2016/17 £000	2015/16 £000
Rents recognised as income in the period	340	313

Future minimum lease receipts due:	2016/17 £000	2015/16 £000
Receivable on leases of buildings expiring:		
Not later than one year	48	46
Later than one year and not later than five years	-	46
Later than five years	-	-
	48	92

3.4 Operating income by type comprises:

	2016/17 £000	2015/16 £000
Income from activities		
NHS Foundation Trusts	1	9
NHSE/Clinical Commissioning Groups	86,631	88,629
Local Authorities	8,270	8,710
Department of Health	2	-
Non-NHS: Other	855	841
	95,759	98,189
Of which:		
Related to continuing operations	*94,283*	*98,189*
Related to discontinued operations	*1,476*	*-*
Other operating income		
Research and development	1,845	1,221
Education and training	6,000	6,288
Non-patient care services to other bodies	14,183	17,152
Income in respect of staff costs	3,945	3,687
Rental revenue from operating leases	340	313
Sustainability and Transformation Fund Income	1,459	-
Other income	809	1,040
	28,581	29,701
Of which:		
Related to continuing operations	*26,887*	*29,701*
Related to discontinued operations	*1,694*	*-*
Operating income before profits on disposal	124,340	127,890
Of which:		
Related to continuing operations	*121,170*	*127,890*
Related to discontinued operations	*3,170*	*-*
Profit/(Loss) on disposal of tangible fixed assets	(280)	469
Reversal of impairments of property, plant and equipment	-	326
Total operating income including gains/loss on disposal*	124,060	128,685

* Income is almost totally from the supply of services. Income from the sale of goods is immaterial.

3.5 Income from activities arising from Commissioner requested services

Under the terms of its Provider License, the Trust is required to analyse the level of income from activities that has arisen from Commissioner requested and non-Commissioner requested services. Commissioner requested services are defined in the provider license and are services that Commissioners believe would need to be protected in the event of provider failure. All services provided by NHS Foundation Trusts are automatically regarded as Commissioner requested services unless at some point prior to 01 April 2016 Commissioners decide they should not be so designated. Under condition 9 of the Provider License mandatory services were 'grandfathered' across on 01 April 2013 when licensing was introduced for Foundation Trusts. As at the reporting date no changes have been made.

	2016/17 £000	2015/16 £000
Income from services designated (or grandfathered) as Commissioner requested services	95,759	98,189
Other income from services not designated as Commissioner requested services	28,581	30,496
Total Operating Income (excluding gains/losses on disposal)	**124,340**	128,685

4 Operating expenses by type

4.1 Operating expenses by type comprise:	2016/17 £000	2015/16 £000
Services Received		
Service from NHS Foundation Trust	**1,653**	1,773
Services from NHS Trusts	**42**	7
Services from CCGs and NHS England	**13**	7
Services from other NHS bodies	**71**	78
Purchase of healthcare from non-NHS bodies	**2,736**	4,244
Employee Expenses		
Employee expenses – Executive Directors	**807**	859
Employee expenses – Non-Executive Directors	**109**	91
Employee expenses – Staff	**95,750**	99,625
Redundancy	**1,666**	431
Research and Development - Staff	**556**	411
Property Related Expenditure		
Depreciation on property, plant and equipment	**2,313**	2,250
Amortisation on intangible assets	**4**	4
Impairments of property, plant and equipment	**-**	1,527
Premises	**4,613**	5,236
Rentals under operating leases	**1,449**	1,511
Establishment	**948**	879
Car parking and security	**85**	63
Other Expenses		
Research and development expenditure	**1,224**	554
Drug costs	**725**	811
Inventories written down (net, including inventory drugs)	**17**	66
Supplies and services – clinical (excluding drug costs)	**300**	825
Supplies and service - general	**1,045**	1,118
Transport	**929**	1,177
Increase/(decrease) in provision for impairment of receivables	**209**	108
Change in provisions discount rate(s)	**80**	(5)
External Audit fees – Financial Statements	**59**	59
External Audit fees – Quality Report Audit Fee	**11**	11
Internal Audit fees (including Counter Fraud Services)	**140**	107
Clinical negligence premium	**495**	354
Legal fees	**174**	270
Consultancy costs	**317**	877
Training, courses and conferences	**701**	730
Patient travel	**175**	73
Therapeutic activities	**70**	93
Hospitality	**25**	26
Publishing	**6**	14
Insurance	**184**	229
Losses, ex gratia and special payments	**335**	107
Other	**821**	545
	120,857	127,145
Of which:		
Related to continuing operations	*117,422*	*127,145*
Related to discontinued operations	*3,435*	*-*

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4.2 Limitation on Auditors' liability
There is a £1,000,000 limit on the Trust's Auditors' liability. (2015/16 £1,000,000)

4.3 Operating leases

4.3.1 Payments recognised as an expense	2016/17 £000	2015/16 £000
Minimum operating lease payments	1,449	1,511

4.3.2 Future minimum lease payments due:	2016/17 £000	2015/16 £000
Payable:		
Not later than one year	1,299	1,385
Later than one year and not later than five years	1,176	1,190
Later than five years	9,655	9,229
	12,130	11,804

4.3.3 Significant Leasing Arrangement
The term of the operating lease for properties on the Northern General Hospital site is 125 years from 01 April 1991. The rent payable to Sheffield Teaching Hospitals NHS FT (STH) is based on the capital charges for the buildings.

There is no option to renew when the lease finishes on 31 March 2116. At the end of the lease period or following a termination by the tenant, if the landlord sells the property or any part of it, the net proceeds of the sale will be divided between the landlord and the tenant in accordance with a table contained in the lease ranging from 50% / 50% within one year of reversion to 100% / nil in favour of the landlord after 10 years from the reversion date.

Under the terms of the lease the following restrictions are imposed; not to assign, sub let, mortgage, charge or part with possession of the whole or part of the property and to only use the
property, or any part of it, for the housing and treatment of learning disabilities service users.

5 Employee expenses and benefits

5.1 Employee expenses	2016/17 £000	2015/16 £000
Salaries and wages	76,954	78,311
Social security costs	7,292	5,937
Employer contributions to NHS pension scheme	9,015	9,176
Employer contributions to Local Authority scheme	439	446
Termination benefits	1,666	806
Agency / contract staff	3,667	6,746
	99,033	101,422
Less costs capitalised	(254)	(96)
Total employee expenses excluding capitalised staff	98,779	101,326

5.2 Employee Benefits

There were no employee benefits, other than the benefits of the relevant pension schemes.

5.3 Directors' and Non-Executive Remuneration

	2016/17 £000	2015/16 £000
Fees to Non-Executive Directors*	98	84
Executive Directors – Salaries**	659	701
Executive Directors – Benefits (NHS Pension Scheme)	93	91
	850	876

Excludes National Insurance contributions.
**Further information about the remuneration of individual Directors and details of their pension arrangements is provided in the Remuneration Report.*

5.4 Early retirements due to ill health

During 2016/17 there was 1 (2015/16 - 7) cases of early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £82,000 (2015/16 - £335,019). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

6 Finance income – interest income

	2016/17 £000	2015/16 £000
Bank accounts	49	71

7 Finance costs – interest expense

	2016/17 £000	2015/16 £000
Finance costs associated with the Local Authority pension scheme*	24	28

The Finance interest income associated with the Local Authority Pension Scheme is presented net as a finance cost in line with IAS19. Refer to Accounting Policies note 1.6.

No claims were arising or payments made during 2016/17 under The Late Payment of Commercial Debts (Interest) Act 1998 (year ended 31 March 2016 - £nil).

8. Intangible assets	2016/17 £000	2015/16 £000
Computer software		
Gross cost at 1 April		
Additions	**87**	27
Disposals	**91**	60
Gross cost at 31 March	**178**	87
Amortisation at 1 April		
Provided during the year	**22**	18
Disposals	**4**	4
Amortisation at 31 March	**26**	22
Net book value - closing		
At 31 March	**152**	65

Intangible assets are all purchased. No intangible assets have been financed via government grants or leases in year.

9 Property, plant and equipment
9.1 Current Year movements

2016/17	Land £'000	Buildings £'000	Assets under construction £'000	Plant and machinery £'000	Transport equipment £'000	Information technology £'000	Furniture & fittings £'000	Total £'000
Cost or valuation								
At 01 April 2016	10,844	42,288	2,038	1,053	326	2,677	162	59,388
Additions purchased	-	-	29126	-	-	-	-	2,126
Reclassifications	-	1,784	(2,828)	51	59	934	-	-
Disposals	-	(662)	-	(293)	(198)	(1,598)	(137)	(2,888)
At 31 March 2017	**10,844**	**43,410**	**1,336**	**811**	**187**	**2,013**	**25**	**58,626**
Accumulated depreciation								
At 01 April 2016	-	633	-	621	298	2,116	151	3,819
Provided during year	-	1,915	-	76	26	294	2	2,313
Disposals	-	(392)	-	(283)	(198)	(1,598)	(137)	(2,608)
At 31 March 2017	**-**	**2,156**	**-**	**414**	**126**	**812**	**16**	**3,524**
Opening Net book value								
Owned	10,844	40,934	2,038	432	28	561	11	54,848
Donated	-	721	-	-	-	-	-	721
Total at 01 April 2016	**10,844**	**41,655**	**2,038**	**432**	**28**	**561**	**11**	**55,569**
Closing Net book value								
Owned	10,844	40,563	1,336	397	61	1,201	9	54,411
Donated	-	691	-	-	-	-	-	691
Total at 31 March 2017	**10,844**	**41,254**	**1,336**	**397**	**61**	**1,201**	**9**	**55,102**

At 31 March 2017 a letter of comfort was obtained from the Trust's valuers, along with details of the latest BCIS Index to evaluate the need for an asset valuation at 31st March 2017. Since the last full valuation took place at the 31 March 2016, and the index indicates no movement in year, no revaluation was undertaken. This is within the Trust's accounting policies which requires a full valuation every 5 years.

No assets used in the provision of Commissioner-requested services were disposed of during the year ending 31 March 2017.

No assets were held under finance leases or hire purchase contracts as at 31 March 2017.

9.2 Prior Year movements 2015/16

	Land £'000	Buildings £'000	Assets under construction £'000	Plant and machinery £'000	Transport equipment £'000	Information technology £'000	Furniture & fittings £'000	Total £'000
Cost or valuation								
At 01 April 2015	8,191	46,325	2,817	1,266	410	2,301	162	61,472
Additions purchased	-	-	5,959	-	-	-	-	5,959
Impairments	-	(10,187)	-	-	-	-	-	(10,187)
Impairment reversals credited to operating income	92	41	-	-	-	-	-	133
Reclassifications	-	6,362	(6,738)	-	-	376	-	-
Revaluations	2,561	(253)	-	-	-	-	-	2,308
Disposals	-	-	-	(213)	(84)	-	-	(297)
At 31 March 2016	**10,844**	**42,288**	**2,038**	**1,053**	**326**	**2,677**	**162**	**59,388**
Accumulated depreciation								
At 01 April 2015	-	2,339	-	750	348	1,878	148	5,463
Provided during year	-	1,891	-	84	34	238	3	2,250
Impairments	-	(2,286)	-	-	-	-	-	(2,286)
Impairment reversals credited to operating income	-	(193)	-	-	-	-	-	(193)
Revaluations	-	(1,118)	-	-	-	-	-	(1,118)
Disposals	-	-	-	(213)	(84)	-	-	(297)
At 31 March 2016	**-**	**633**	**-**	**621**	**298**	**2,116**	**151**	**3,819**
Opening Net book value								
Owned	8,191	43,208	2,817	516	62	423	14	55,231
Donated	-	778	-	-	-	-	-	778
Total at 01 April 2015	**8,191**	**43,986**	**2,817**	**516**	**62**	**423**	**14**	**56,009**
Closing Net book value								
Owned	10,844	40,934	2,038	432	28	561	11	54,848
Donated	-	721	-	-	-	-	-	721
Total at 31 March 2016	**10,844**	**41,655**	**2,038**	**432**	**28**	**561**	**11**	**55,569**

No assets used in the provision of Commissioner-requested services were disposed of during the year ending 31 March 2016.
No assets were held under finance leases or hire purchase contracts as at 31 March 2016.

9.3 Revaluation Reserve Movements

	31 March 2017 £000	31 March 2016 £000
Relating to Property, Plant and Equipment		
As at 01 April	**16,633**	19,804
Reserves transfers	**(6)**	(223)
Impairment losses	**-**	(6,374)
Revaluation gains	**-**	3,426
As at 31 March*	**16,627**	16,633

A full revaluation was undertaken as at 31 March 2016. No further valuation was undertaken at 31 March 2017. An interim valuation will take place within 3 years, per our accounting policies. Refer to note 1.8 for further details.

9.4 Contractual capital commitments

Contracted Capital Commitments at 31 March not otherwise included in these financial statements are:

	31 March 2017 £000	31 March 2016 £000
Property, plant and equipment*	**828**	-

* The Trust's capital scheme to continue the work to develop the Longley Centre, following the successful development of the award winning Endcliffe Ward on site continues. Costs disclosed here are committed to under contract, but so far not already included within these accounts.

10 Investment Property

10.1 Investment Property – Carrying Value

	31 March 2017 £000	31 March 2016 £000
Investment Property as at 31 March	**200**	200

10.2 Investment property expenses

	2016/17 £000	2015/16 £000
Direct operating expense arising from investment property	**16**	12

10.3 Investment property income

	2016/17 £000	2015/16 £000
Investment property income	**64**	47

10.4 Disclosure of Interests in other Entities

The Trust has reviewed its arrangements under IFRS10 Consolidated Financial Statements, IAS 28 Associates, IFRS11 Joint Arrangements and IFRS 12 Disclosure of interests in other entities. The Trust currently has no arrangements that require disclosure under these standards.

11 Inventories
11.1 Inventories analysis at 31 March

	31 March 2017 £000	31 March 2016 £000
Drugs	54	91
Consumables	5	8
Total inventories	59	99

11.2 Inventories recognised in expenses in year

	2016/17 £000	2015/16 £000
Inventories recognised as an expense in the period*	575	583
Write-down of inventories (including losses)	17	66
	592	649

Inventories recognised as an expense in the period (consumed) are recorded against additions in the period.

12 Trade and other receivables
12.1 Trade and other receivables

	Current		Non-current	
	31 March 2017 £000	31 March 2016 £000	31 March 2017 £000	31 March 2016 £000
NHS receivables	4,384	3,060	-	-
Other receivables with related parties	1,557	2,050	2,660	3,665
Provision for impaired receivables	(455)	(269)	-	-
Prepayments	736	308	293	290
Accrued income	967	221	-	-
Interest Receivable	3	6	-	-
PDC receivable	37	96	-	-
VAT receivable	265	399	-	-
Other receivables	895	1,061	-	-
	8,389	6,932	5,953	3,955

The majority of trading is with Clinical Commissioning Groups, as Commissioners for NHS patient care services. As Clinical Commissioning Groups are funded by the government to purchase NHS patient care services, no credit scoring of them is considered necessary. In addition, commissioning of social care is through public sector

funded bodies, such as councils and housing associations. Again, no credit scoring is considered necessary.

12.2 Provision for impairment of receivables	**31 March 2017 £000**	31 March 2016 £000
At 01 April	**269**	161
Increase in provision	**251**	235
Amounts utilised	**(23)**	-
Unused amounts reversed	**(42)**	(127)
At 31 March	**455**	269

12.3 Ageing of impaired receivables	**31 March 2017 £000**	31 March 2016 £000
By 0 – 30 days (within term)	**22**	152
By 30 – 60 days	**59**	-
By 60 – 90 days	**-**	-
By 90 – 180 days	**3**	4
Over 180 days	**371**	113
Total	**455**	269

12.4 Receivables past their due date but not impaired	**31 March 2017 £000**	31 March 2016 £000
By 0 – 30 days (within term)	**855**	1,389
By 30 – 60 days	**466**	441
By 60 – 90 days	**111**	150
By 90 – 180 days	**652**	66
Over 180 days	**552**	734
Total	**2,636**	2,780

13 Cash and cash equivalent	**31 March 2017 £000**	31 March 2016 £000
At 01 April	**25,771**	28,933
Net change in year	**1,985**	(3,162)
At 31 March	**27,756**	25,771
Broken down into:		
Cash at commercial banks and in hand	**263**	199
Cash with the Government Banking Service	**27,493**	25,572
Cash and cash equivalents as in Statement of Financial Position	**27,756**	25,771

14 Non-current assets held for sale

Current year 2016/17	Property, plant and equipment £000	Total £000
As at 01 April 2016	-	-
Assets classified as available for sale in the year	-	-
Assets sold in year	-	-
Impairment of assets held for sale	-	-
As at 31 March 2017	-	-

Prior year 2015/16		
As at 01 April 2015	167	167
Assets classified as available for sale in the year	-	-
Assets sold in year	(167)	(167)
Impairment of assets held for sale	-	-
As at 31 March 2016	-	-

15 Trade and other payables

	Current	
	31 March 2017 £000	31 March 2016 £000
Receipts in advance	11	5
NHS payables	182	896
Amounts due to other related parties	1,167	1,240
Trade payables – capital	320	756
Other trade payables	1,240	1,482
Social security costs	1,815	1,625
Accruals	3,697	3,362
Total	8,432	9,366

16 Provisions

	Current		Non-current	
	31 March 2017 £000	31 March 2016 £000	31 March 2017 £000	31 March 2016 £000
Legal claims	205	228	-	-
Redundancy	752	66	-	-
Injury Benefits	51	51	700	662
Restructurings	363	197	-	-
Other	2,371	991	68	69
Total	3,742	1,533	768	731

16.1 Movement in Provisions

	Legal claims £000	Redundancy £000	Injury Benefits £000	Restructuring £000	Other £000	Total £000
At 01 April 2016	228	66	713	197	1,060	**2,264**
Arising during the year	138	752	8	363	1,828	**3,089**
Utilised during the year	(74)	(66)	(51)	(123)	(353)	**(667)**
Unwinding of discount	-	-	2	-	-	**2**
Change in discount rate	-	-	80	-	-	**80**
Reversed unused	(87)	-	-	(74)	(97)	**(258)**
At 31 March 2017	**205**	**752**	**752**	**363**	**2,438**	**4,510**
Expected timing of cash flows:						
Not later than one year	205	752	52	363	2,370	**3,742**
Between one and five years	-	-	206	-	68	**274**
Later than five years	-	-	494	-	-	**494**
	205	**752**	**752**	**363**	**2,438**	**4,510**

Legal claims relate to claims brought against the Trust for Employer's Liability or Public Liability. These cases are handled by the NHSLA, who provide an estimate of the Trust's probable liability. Actual costs incurred are subject to the outcome of legal action. The eventual settlement costs and legal costs may be higher or lower than provided. Costs in excess of £10,000 per case are covered by the NHSLA and are not included above.

A provision of £752,000 relates to Injury Benefits. These are payable to current and former members of staff who have suffered injury at work. These cases have been adjudicated by the NHS Pensions Authority. The value shown is the value of payments due to the individuals for the term indicated by Government Actuary life expectancy tables, and the actual value of this figure represents the main uncertainty in the amounts shown. (31 March 2016 - £714,000).

£3,318,817 is included in the provisions of the NHS Litigation Authority (not included in the Sheffield Health and Social care NHS FT position) at 31 March 2017 in respect of clinical negligence liabilities of Sheffield Health and Social Care NHS Foundation Trust (31 March 2016 - £2,752,468).

17 Other liabilities

	Current		Non-current	
	31 March 2017 £000	31 March 2016 £000	**31 March 2017 £000**	31 March 2016 £000
Deferred Income	**152**	50	**-**	-
Net Pension Scheme Liability	**-**	-	**6,714**	4,427
Total	**152**	50	**6,714**	4,427

18 Contingent liabilities

	31 March 2017 £000	31 March 2016 £000
NHS Litigation Authority Legal claims	**34**	80
Redundancy	**-**	150
Other	**99**	105
	133	335

Legal claims contingent liabilities represent the consequences of losing all current third party legal claim cases. Redundancy contingent liabilities represent potential redundancies where there may be an outflow of resources embodying future economic benefits in settlement of: a) a present obligation; or b) a possible obligation whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. Other Contingent liabilities arise from unexpected events that give rise to the possibility of an outflow of resources embodying economic benefits.

In 2016/17 other contingent liabilities include potential costs of patient care service disinvestments above that provided for in provisions, possible challenge by HMRC of already settled WATS (Widening Access Training Scheme) claims and the potential costs of a rental agreement over its notice period should the Trust chose to cease use of the site.

19 Financial Instruments
IFRS 7, 'Financial Instruments: Disclosures', 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 Clinical Commissioning Groups and the way those Clinical Commissioning Groups 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 international 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 the parameters defined formally within the Trust's Standing Financial Instructions and policies agreed by the Board of Directors.

Currency risk

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

Interest rate risk

The Trust has low exposure to interest rate fluctuations as it has no borrowings and any excess funds are invested on a short term basis with low risk institutions.

Credit risk

As the majority of the Trust's income comes from contracts with public sector bodies, the Trust has low exposure to credit risk. The maximum exposure as at the end of the financial year is in receivables from customers, as disclosed in the receivables note.

Liquidity risk

The Trust's net operating costs are incurred under contract with Clinical Commissioning Groups, Local Authorities, and other government bodies which are financed from resources voted annually by Parliament. The Trust finances its capital expenditure from funds from cash reserves or loans. The Trust is therefore not exposed to significant liquidity risks.

19.1 Financial assets

The financial assets which have a floating rate of interest are cash held at the Government Banking Service and cash held with commercial banks. This cash is held on short term deposit. All other financial assets, including non-current assets, are non interest bearing. The Trust has no financial assets with fixed interest rates.

	31 March 2017 £000	31 March 2016 £000
Denominated in £ Sterling – Floating interest rate*	27,730	25,709

This excludes cash in hand of £25,561 (2015/16 £61,995).

19.2 All Financial assets by category	31 March 2017 £000	31 March 2016 £000
Loans and Receivables		
NHS receivables and accruals	5,347	3,103
Other receivables with related parties	7,217	5,715
Provision for irrecoverable debts	(455)	(269)
Other accrued income	7	184
Other receivables	895	1,061
Cash at bank and in hand	27,756	25,771
Total at 31 March	**40,767**	35,565

19.3 Financial liabilities

The Trust has no financial liabilities with floating or fixed rates of interest. They are all non interest bearing.

19.4 All Financial assets by category

	31 March 2017 £000	31 March 2016 £000
Other financial liabilities		
NHS payables and accruals	**551**	1,142
Other payables with related parties	**1,167**	1,240
Trade payables – capital	**320**	756
Other trade payables	**1,240**	1,460
Other Accruals	**3,328**	3,138
Total at 31 March	**6,606**	7,736

19.5 Fair values of financial assets and liabilities at 31 March 2017

The fair value of the Trust's financial assets and financial liabilities at 31 March 2017 equates to the book value.

20 Third Party Assets

The Trust held cash of £558,000 at bank and in hand at 31 March 2017 (31 March 2016 - £1,800,841) which relates to monies held by the Trust on behalf of patients, and; monies managed by the Trust relating to Individual Service Funds. The reduction is largely due to a reduction in clients for which the Trust provides Residents Financial Monies services to due to a re-tender of the service. These amounts have been excluded from the cash at bank and in hand amount reported in the accounts.

21 Losses and Special Payments

The value of Category 4 losses in year has increased due to an increase in out of date stock write offs and unforeseen damage to buildings.

There were no individual losses or special payment cases exceeding £300,000.

Losses and Special Payments shown below are reported on an accruals basis, exclude provisions for future losses, and include in year utilised provisions on a cash basis.

21.1 Losses by Category

	31 March 2017		31 March 2016	
	Number	**£000**	Number	£000
1. Cash losses	**3**	**3**	4	-
2. Fruitless payments and constructive losses	**-**	**-**	-	-
3. Bad debts and claims abandoned	**60**	**21**	4	1
4. Damage to buildings (incl. stores losses)	**6**	**87**	7	72
Total at 31 March	**69**	**111**	15	73

21.2 Special Payments by Category	31 March 2017		31 March 2016	
	Number	**£000**	Number	£000
5. Compensation payments under legal obligation	**3**	**82**	4	126
6. Extra-contractual payments	**-**	**-**	-	-
7. Ex gratia payments	**23**	**8**	34	4
8. Special severance payments	**-**	**-**	-	-
9. Extra-statutory and extra-regulatory payments	**-**	**-**	-	-
Total at 31 March	**26**	**90**	38	130

22 Events after the reporting period
There have been no significant events after the reporting period date.

23 Related party transactions
23.1 Register of Interests
Sheffield Health and Social Care NHS Foundation Trust is a corporate body established by order of the Secretary of State for Health.

During the year the Trust has had transactions with a number of organisations with which key employees/Directors of the Trust have some form of relationship. These are detailed below:

	Receipts from Related Party £000	Payments to Related Party £000	Amounts due from Related Party £000	Amounts owed to Related Party £000
University of Sheffield	143	579	29	22
Sheffield Teaching Hospitals NHS FT	2,961	1,368	554	187
Sheffield City Council	12,839	783	6,993	529
Hardwick CCG	51	-	-	11
South Yorkshire Housing Association	2,258	258	212	37
SACMHA	-	49	-	-

The relationships are:
- The Executive Medical Director's wife is employed by Sheffield Teaching Hospitals NHS FT.
- The Chair, who was in post to 30 June 2016, is Professor of Social Policy at the University of Sheffield and Honourary Vic-President of Age UK.
- The wife of an Executive Director is Director of SACMHA.
- One of the Non-Executive Directors provides unpaid consultancy to South Yorkshire Housing Association.
- One of the Non-Executive Directors is the Deputy Leader of Sheffield City Council.
- The interim Board Secretary, in post to Sept 2016, is a Lay Member (Audit and Governance) at NHS Hardwick CCG.

The Trust is required, under International Accounting Standard 24 'Related Party Disclosures', to disclose any related party transactions. The objective of IAS 24 is to draw attention to the possibility that the reported financial position and results may have been affected by the existence of related parties and by material transactions with them. In the cases above, all payments shown have been made by the Trust to the organisations concerned and not to the individual officers.

Amounts owed to related parties are unsecured, interest-free and have no fixed terms of repayment. The balances will be settled in cash. No guarantees have been given or received. Provisions for doubtful debts have been raised against amounts outstanding in respect of Self Directed Support charges managed by Sheffield Council on behalf of individual service users totalling £198,000 but no other expenses are recognised in year in respect of bad or doubtful debts due from related parties.

23.2 Other related parties

The value of the Trust's transactions with other related parties during the year is given below:

| | 2016/17 | | 2015/16 | |
	Income £000	Expenditure £000	Income £000	Expenditure £000
Department of Health	1,439	-	914	-
Other NHS bodies	103,795	4,551	104,314	4,267
Other bodies (Including WGA)	12,944	17,090	13,909	15,791
	118,178	21,641	119,137	20,058

The value of related party transactions with Board members and key staff members in 2016/17 is £nil (2015/16 £nil). Details of Directors' remuneration and pensions can be found in the Remuneration Report of the accounts. Disclosures relating to salaries of Board members are given in note 5.3. Further details of Executive and Non-Executive Directors' salaries and pensions can be found in the Remuneration Report in the Annual Report.

The value of receivables and payables balances held with related parties as at the date of the statement of financial position is given below:

| | 2016/17 | | 2015/16 | |
	Receivables £000	Payables £000	Receivables £000	Payables £000
Department of Health	60	67	96	5
Other NHS bodies	5,189	590	3,117	1,087
Other bodies (Including WGA)	7,258	3,564	6,045	3,197
	12,507	4,221	9,258	4,289

The value of balances (other than salary) with related parties in relation to the provision for impairment of receivables as at 31 March 2017 is £198,000 (31 March 2016 £204,552).

The Department of Health ("the Department") 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 listed below:

- Sheffield CCG
- Health Education England
- NHSE – Yorkshire and Humber Local Office
- NHSE – Yorkshire and Humber Commissioning Hub
- Barnsley CCG
- North Derbyshire CCG
- Rotherham CCG
- Doncaster CCG
- Southern Derbyshire CCG
- Hardwick CCG
- Derbyshire Healthcare NHS Foundation Trust
- Nottinghamshire Healthcare NHS Trust
- Rotherham Doncaster and South Humber NHS Foundation Trust
- Sheffield Children's NHS Foundation Trust
- Sheffield Teaching Hospitals NHS Foundation Trust
- Leeds Partnership NHS Foundation Trust
- NHS Litigation Authority
- NHS Business Services Authority

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 HM Revenue and Customs (including National Insurance Funds), the NHS Pension Scheme as well as with Sheffield City Council in respect of joint enterprises and the South Yorkshire Pension Scheme.

24 South Yorkshire Pensions Fund - Retirement Benefit Obligations
The total defined benefit pension loss for 2016/17 in respect of the local government scheme administered by South Yorkshire Pensions Authority was £546,000 (31 March 2016 - £611,000). A pension deficit of £6,714,000 is included in the Statement of Financial Position as at 31 March 2017 (31 March 2016 - £4,427,000).

The terms of the current partnership agreement with Sheffield City Council provide that any long term pension liability arising from the scheme will be funded by the Council, with the exception of any pension changes which relate to an increase in salary in excess of any local government grading agreements. The impact on the current and prior year statement of consolidated income and taxpayers equity relating to the application of IAS 19 - 'Employee Benefits' within the accounts of the Trust is negated by the inclusion of a corresponding non-current receivable with the Council. As at 31 March 2017, the deficit on the scheme was £6,714,000 (31 March 2016 - £4,427,000 deficit), the majority of which is offset by a non-current receivable of £5,660,000 (31 March 2016 - £3,665,000).

Estimation of the net liability to pay pensions depends on a number of complex judgements. A firm of consulting actuaries is engaged by South Yorkshire Pensions Authority to provide expert advice about the assumptions made, such as mortality rates and expected returns on pension fund assets.

Pension increases or revaluations for public sector schemes are based on the Consumer Prices Index ("CPI") measure of price inflation.

The main actuarial assumptions used at the date of the statement of financial position in measuring the present value of defined benefit scheme liabilities are:

	31 March 2017 %	31 March 2016 %
Rate of inflation	2.30	2.00
Rate of increase in salaries	3.55	3.75
Rate of increase in pensions and deferred pensions	2.30	2.00
Discount rate	2.60	3.60
The current life expectancies at age 65 underlying the accrued liabilities for the scheme are:		
Non retired member – Male (aged 65 in 20 years' time)	25.10	25.40
Non retired member – Female (aged 65 in 20 years' time)	28.00	28.50
Retired member – Male	22.90	23.00
Retired member - Female	25.70	25.70

The fair value of the scheme's assets and liabilities recognised in the balance sheet were as follows:

	Scheme assets %	31 March 2017 £000	Scheme assets %	31 March 2016 £000
Equities	60.96	12,637	57.64	9,960
Government Bonds	11.54	2,392	12.02	2,077
Other Bonds	8.94	1,853	9.03	1,561
Property	9.37	1,942	11.69	2,020
Cash/Liquidity/Other	9.19	1,905	9.62	1,662
Total fair value of assets	100.00	20,729	100.00	17,280
Present value of defined benefit obligation		(27,443)		(21,707)
Net retirement benefit deficit		**(6,714)**		(4,427)

Updates to IAS19 mean that rather than recognising the expected gain during the year from scheme assets in finance income and the interest cost during the year arising from the unwinding of the discount on the scheme liabilities recognised in finance costs; we now present the net interest cost during the year within finance costs. Actuarial gains and losses are not presented; rather the Re-measurements of the defined benefit plan are disclosed and recognised in the income and expenditure reserve. To provide comparative data last years' figures are restated and presented under new IAS19 guidance.

Movements in the present value of the defined benefit obligations are:	2016/17 £000	2015/16 £000
At 01 April	(21,707)	(22,170)
Current service cost	(388)	(441)
Interest on pension liabilities	(766)	(726)
Member contributions	(103)	(109)
Actuarial (losses)/gains on liabilities	(4,881)	1,343
Benefits paid	412	396
At 31 March	(27,443)	(21,707)

Movements in the present value of the defined benefit obligations are:	2016/17 £000	2015/16 £000
At 01 April	17,280	16,970
Interest on plan assets	624	563
Remeasurements (assets)	2,701	(407)
Administration expenses	(6)	(7)
Employer contributions	439	448
Member contributions	103	109
Benefits paid	(412)	(396)
At 31 March	20,729	17,280

The net pension expense recognised in operating expenses in respect of the scheme is:	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Current service cost	(388)	(441)
Pension expense to operating surplus	(388)	(441)
Net interest cost	(152)	(163)
Administration expenses	(6)	(7)
Pension expense	(158)	(170)
Net pension charge	(546)	(611)

The reconciliation of the opening and closing statement of financial position is as follows:	2016/17 £000	2015/16 £000
At 01 April	(4,427)	(5,200)
Expenses recognised	(546)	(611)
Remeasurements (liabilities and assets)	(2,180)	936
Contributions paid	439	448
At 31 March	(6,714)	(4,427)

Remeasurement gains and losses are recognised directly in the Income and Expenditure reserve. However the majority of the gains and losses are covered by the back to back

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agreement with Sheffield City Council (further information is provided at note 1.2). At 31 March 2017, a cumulative amount of £1,067,000 was recorded in the Income and Expenditure Reserve (31 March 2016 £774,000).

The history of the scheme for the current and prior year is:

	2016/17 £000	2015/16 £000
Present value of defined benefit obligation	(27,437)	(21,707)
Fair value of scheme assets	20,723	17,280
Net retirement obligation	(6,714)	(4,427)

Experience losses on scheme liabilities in remeasurement for 2016/17 are £847,000 (year ended 31 March 2016 £nil) and experience gains on scheme assets are £nil (year ended 31 March 2016 £nil).

Section 7.0 Glossary

Accounts Payable (Creditor)
A supplier who has delivered goods or services in the accounting period and has invoiced the Trust, but has not yet been paid.

Accounts Receivable (Debtor)
An organisation which has received a service from the Trust in the accounting period and has been invoiced by the Trust, but has not yet paid.

Annual Governance Statement
A statement about the controls the Foundation Trust has in place to manage risk.

Annual Accounts
Documents prepared by the Trust to show its financial position.

Annual Report
A document produced by the Trust which summarises the Trust's performance during the year, including the annual accounts.

Asset
Something which is owned by the Trust. For example, a building or a piece of equipment, some cash or an amount of money owed to the Trust.

Audit Opinion
The auditor's opinion of whether the Trust's accounts show a true and fair view of its financial affairs. If the auditors are satisfied with the accounts, they will issue an unqualified audit opinion.

Available for sale
Assets are classed as available for sale if they are held neither for trading nor to maturity. An example of this would be an investment without a maturity date such as an ordinary share.

Budget
Represents the amount of money available for a service in a period of time and is compared to actual spend for the same period.

Capital Expenditure
Money spent on buildings and valuable pieces of equipment such as major computer purchases.

Cash and cash equivalents
Cash includes cash in hand and cash at the bank. Cash equivalents are any other deposits that can be converted to cash straight away.

Cash Equivalent Transfer Value (Pensions)
This is the total value of the pension scheme benefits accrued (i.e. saved up) which are the contributions paid by a member of staff and the Trust over the period of employment. These funds are invested and valued at a point in time by an actuary. The cash equivalent transfer value is the amount which would be transferred, if a staff member moved to work for a different organisation.

Continuity of Service (COS) Risk Rating
Previously used prior to the introduction of the Financial Sustainability Risk Rating. The COS rating incorporated only two metrics, namely liquidity (days) and capital service capacity ratio (time) which monitored the financial stability of the Trust.

Control Total
An agreed financial control total for all NHS Providers, calculated on a Trust-by-Trust basis and designed to ensure the NHS provider sector achieves financial balance in 2016/17. Access to the Sustainability and Transformation Fund is dependent on agreement and delivery of the control total.

Corporation tax
A tax payable on a company's profits. Foundation Trusts may have to pay corporation tax in the future. The legislation introducing corporation tax to Foundation Trust has been deferred and 2011/2012 was the first year that Government introduced corporation tax to Foundation Trusts.

CQC
Care Quality Commission. The independent regulator of all health and social care services in England.

CQUINs
Commissioning for Quality and Innovation payments framework were set up in 2009/10 to encourage care providers to continually improve how care is delivered.

Current Assets
These are assets, which are normally used or disposed of within the financial year.

Current Liabilities
Represents monies owed by the Trust that are due to be paid in less than one year.

Deferred Income
Funding received from another organisation in advance of when we will spend it.

Depreciation
An accounting charge which represents the use, or wearing out, of an asset. The cost of an asset is spread over its useful life.

EBITDA
Earnings Before Interest, Tax Depreciation and Amortisation – this is an indicator of financial performance and profitability and indicates the ability to pay the dividends due to the Government in respect of the 3.5% return on assets the Trust is expected to achieve.

External Auditor
The independent professional auditor who reviews the accounts and issues an opinion on whether the accounts present a true and fair view.

Finance lease
An arrangement whereby the party leasing the asset has most or all of the use of an asset, and the lease payments are akin to repayments on a loan.

Financial Sustainability Risk Rating
The old approach to financial measurement. Replaced by the **Use of Resources Metric**.

Financial statements
Another term for the annual accounts.

Foundation Trust Annual Reporting Manual (FT ARM)
The guidance document, published annually by Monitor, setting out the accounting requirements for Foundation Trust's Annual Report. Previously included technical guidance on the Accounts, which is now provided within the **DH Government Accounting Manual**. .

Going concern
The accounts are prepared on a going concern basis which means that the Trust expects to continue to operate for at least the next 12 months.

DH Government Accounting Manual (GAM)
Provides the accounting guidance for all NHS bodies, now including Foundation Trusts. Guidance specific to Foundation Trusts in respect of the Annual Report is still included in the Foundation Trust Annual Reporting Manual (FT ARM)

IFRS (International Financial Reporting Standards)
The professional standards organisations must use when preparing the annual accounts.

Impairment
A decrease in the value of an asset.

Income and Expenditure Reserve
This is an accumulation of transfers to / from the Revaluation Reserve as well as the cumulative surpluses and deficits reported by the Trust, including amounts brought forward from previous years.

Intangible asset
An asset which is without substance, for example, computer software.

Inventories
Stocks such as clinical supplies, medical equipment, pharmacy stock.

Liability
Something which the Trust owes, for example, a bill which has not been paid.

Liquidity ratio
Liquidity is a measure of how easily an asset can be converted into cash. Bank deposits are very liquid, debtors less so. The liquidity ratio is a measure of an entity's ability to meet its obligations, in other words how well it can pay its bills from what it owns.

MEA (Modern Equivalent Asset)
This is an instant build approach, using alternative site valuation in some circumstances.

Monitor
Monitor is the sector regulator for health services in England. Monitor has been a part of NHS Improvement since 1st April 2016. Previously it was an executive non-departmental public body of the Department of Health.

Net Book Value
The net book value is the lower of the cost to the business to replace a fixed asset or the recoverable amount if the asset was sold (net of expenses).

NHS Improvement
NHS Improvement is responsible for overseeing foundation trusts and NHS trusts, as well as independent providers that provide NHS-funded care. From 1st April 2016, NHS Improvement is the operational name for an organisation that brings together; Monitor, NHS Trust Development Authority, Patient Safety (including the National Reporting and Learning System), Advancing Change Team and Intensive Support Teams.

NICE
National Institute for Health and Care Excellence. NICE provide independent, evidence-based guidance on the most effective ways to prevent, diagnose and treat disease and ill health, reducing inequalities and variation.

NIHR
National Institute for Health Research. The NIHR is a large, multi-faceted and nationally distributed organisation, funded through the Department of Health to improve the health and wealth of the nation through research.

Non-current assets held for sale
Buildings that are no longer used by the Trust and declared surplus by the Board, which are available for sale.

Non-current asset or liability
An asset or liability which the Trust expects to hold for longer than one year.

Non-Executive Director
These are members of the Trust's Board of Directors, however they do not have any involvement in the day-to-day management of the Trust. Their role is to provide the Board with independent challenge and scrutiny.

NPSA
National Patient Safety Agency. Their key functions transferred to the NHS Commissioning Board Specialist Health Authority in June 2012.

Operating lease
An arrangement whereby the party leasing the asset is paying for the provision of a service (the use of the asset) rather than exclusive use of the asset.

Payment By Result/Payment by Outcomes
A national tariff of fixed prices that reflect national average prices for hospital procedures. Already in use in acute trusts and currently being developed for mental health and learning disabilities services.

POMH
The national Prescribing Observatory for Mental Health (POMH-UK) aims to help specialist mental health Trusts/healthcare organisations improve their prescribing practice.

Primary statements
The four main statements that make up the accounts: the Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Taxpayers' Equity; and Statement of Cash Flows.

Provisions for Liabilities and Charges
These are amounts set aside for potential payments to third parties, which are uncertain in amount or timing, for example, claims arising from litigation.

Public Dividend Capital
This is a type of public sector equity finance based on the excess of assets over liabilities at the time of the establishment of the predecessor NHS Trust. It is similar to a company's share capital.

Public Dividend Capital Payable
This is an annual amount paid to the Government for funds made available to the Trust.

Reference Cost
The costs of the Trust's services are produced for the Department of Health for comparison with other similar Trusts.

Revaluation Reserve
This represents the increase or decrease in the value of property, plant and equipment over its historic cost.

Risk Assessment Framework (RAF)
The former risk assessment framework that Monitor use to assess each NHS Foundation Trust's compliance with two aspects of its provider licence; continuity of services and governance license conditions. The RAF was replaced on 1st October 2016 with the Single Oversight framework which also replaces the NHS Trust Development Authority Accountability Framework.

Service Line Reporting
A system which identifies income and expenditure and then produces gross profit across defined 'business units', with the aim of improving quality and productivity.

Single Oversight Framework
The Single Oversight Framework is designed to help NHS providers attain, and maintain, ratings of 'Good' or 'Outstanding'. The Framework doesn't give a performance assessment in its own right. It applies from 1st October 2016 and replaces the Monitor **Risk Assessment Framework** and the NHS Trust Development Authority Accountability Framework.

South Yorkshire and Bassetlaw Sustainability and Transformation Plan
A plan produced by the NHS and local councils in South Yorkshire and North Nottinghamshire to develop proposals and make improvements to health and care which are place-based and built around the needs of the local population.

Statement of Cash Flows
Shows the cash flows in and out of the Trust during the period.

Statement of Changes in Taxpayers' Equity
This statement shows the changes in reserves and public dividend capital during the period.

Statement of Comprehensive Income
This statement was previously called 'Income and Expenditure Account'. It summarises the
expenditure on pay and non-pay running costs less income received, which results in a surplus or deficit.

Statement of Financial Position
A year-end statement which provides a snapshot of the Trust's financial position at a point in time. The top half shows the Trust's total net assets (assets minus liabilities). The bottom half shows the Taxpayers Equity or investment in the Trust.

Sustainability and Transformation Fund
Ring-fenced funding (£1.8 billion in 2016/17) allocated by NHS England to help providers deliver additional efficiency savings. There are three elements to the Fund; a **general** payment, based on delivery of the agreed control total; an **incentive** payment, which is matched pound for pound for any over-achievement of the control total; and a **bonus** payment, which is a share of any unallocated Sustainability and Transformation Fund paid to Trusts which exceed their control totals.

Third Sector Organisations
This is a term used to describe the range of organisations that are neither public sector nor private sector. It includes voluntary and community organisations (both registered charities and other organisations such as associations, self-help groups and community groups), social enterprises, mutuals and co-operatives.

True and fair
It is the aim of the accounts to show a true and fair view of the Trust's financial position, that is they should faithfully represent what has happened in practice.

UK GAPP (Generally Accepted Accounting Practice)
The standard basis of accounting in the UK before international standards were adopted.

Unrealised gains and losses
Gains and losses may be realised or unrealised. Unrealised gains and losses are gains or losses that the Trust has recognised in its accounts but which are potential as they have not been realised. An example of a gain that is recognised but unrealised is where the value of the assets has increased. This gain is realised when the assets are sold or otherwise used.

Use of Resources Metric
The new approach replacing the previous Financial Sustainability Risk Rating. The Use of Resources rating measures 5 metrics; Capital Service Cover, Liquidity, I&E Margin, I&E Variance from Plan and Agency spend, with equal weightings. The Financial Sustainability Risk Rating previously only measured the first four on equal weightings.

Section 8.0 Contacts

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www.shsc.nhs.uk

Human Resources
If you are interested in a career with Sheffield Health and Social Care NHS Foundation Trust, visit the Trust website (www.shsc.nhs.uk) and click on 'Working for the Trust'.

Communications
If you have a media enquiry, require further information about our Trust or would like to request copies of this report please contact the Communications Manager.
Email: communications.shsc@shsc.nhs.uk
Tel: 0114 2716706

Membership
If you want to become a member of the Trust or want to find out more about the services it provides, please contact the Membership and Governor Officer on 0114 2718768.

Contacting members of the Council of Governors
The Governors can be contacted by emailing governors@shsc.nhs.uk or by phoning 0114 2718768.

For more information or if you would like this document provided in a different language or large print please contact:

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