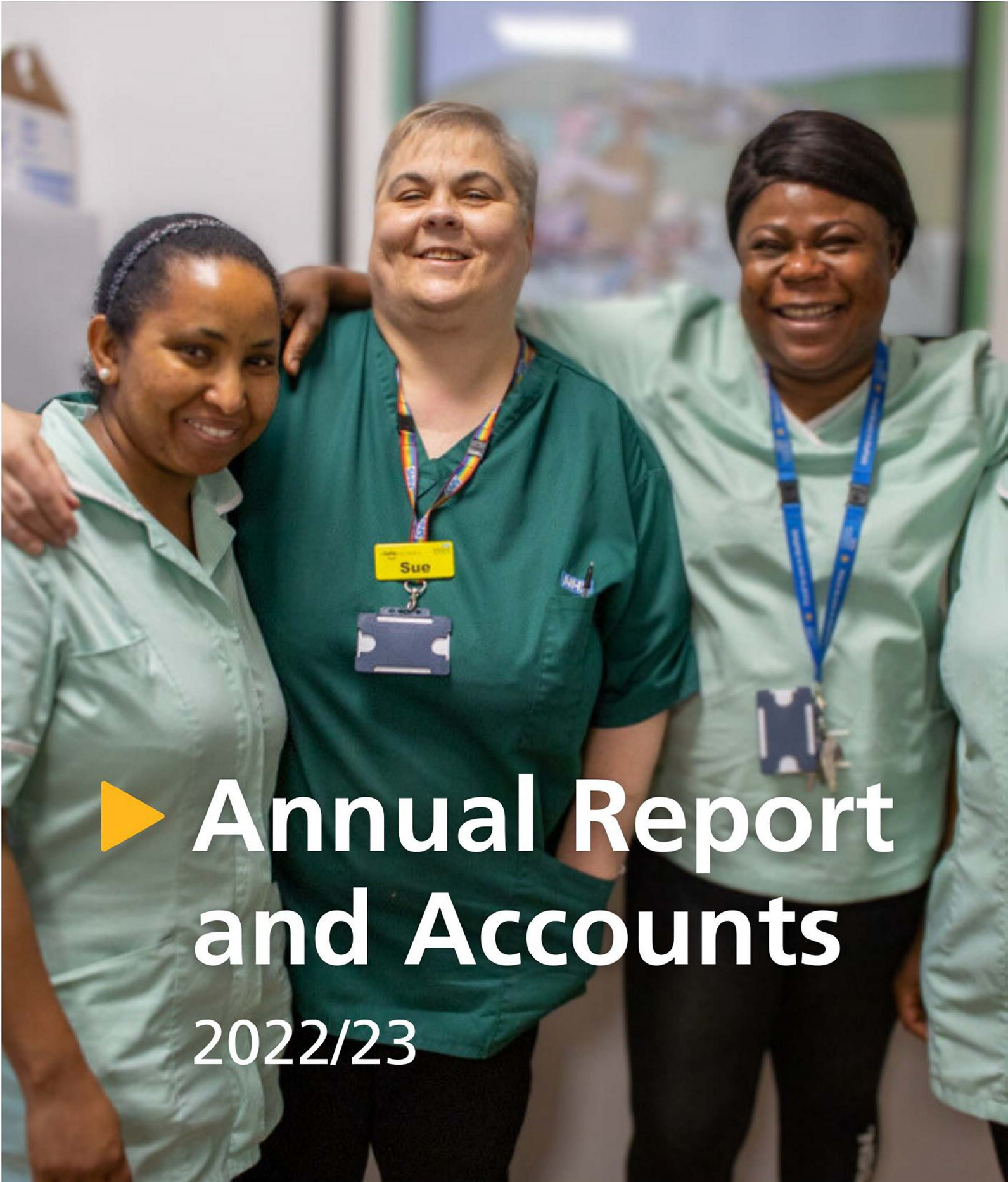




NHS

**Sheffield Health
and Social Care**
NHS Foundation Trust



Annual Report and Accounts

2022/23

Sheffield Health and Social Care NHS
Foundation Trust
Annual Report and Accounts 2022/23

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Section 1.0 Introduction from our Chair

It is my pleasure to welcome you to our Annual Report and Accounts for 2022/23.

This report will give you an overview of what we do, how we have performed, some of our key achievements over the year and some of the challenges we face going forward.

It has been a privilege to serve as Chair over the last 18 months and I have continued to be impressed by the hard work, commitment and dedication shown by our staff in striving always to give their best in what are often very challenging circumstances.

We remain committed to our journey of improvement and learning and have reached some significant milestones over the year including a move from national to regional oversight.

There has been a renewed focus through system governance changes, to deliver our collective duty of 'collaboration' in improving health and social care outcomes for all. We have continued to work with partners in Sheffield, the South Yorkshire Mental Health, Learning Disabilities Autism Provider Collaborative, and the South Yorkshire Integrated Care System, to build on our achievements to date and to agree priorities for our collective focus, so that together we can make a positive difference for the communities we serve.

We will soon be celebrating and marking 75 years of the NHS and I would like to take this opportunity to thank the board, our staff, governors, volunteers, and partners for all they have done and continue to do for those we support.

I would also like to thank our Chief Executive Jan Ditheridge who will be leaving us in the summer of 2023, for her outstanding leadership of the organisation and to wish her well for the future.

Thank you for your interest in SHSC and for taking the time to read this report. The information provided can also be found on our website at www.shsc.nhs.uk

Sharon Mays, Chair

Section 2.0 Performance Report

2.1 Performance Overview

This section is to help you understand a bit more about our organisation, our purpose, our objectives, how we've performed against those objectives over the last year and the challenges we face.

Jan Ditheridge, Chief Executive

2.1.1 Chief Executive's review of the year

Welcome to our Annual Report and Accounts for the financial year 2022/23. The process of preparing this report provides us with a great opportunity to look back on all the things we have achieved for our service users and set out what will be important to us in the next year.

You'll find lots more detail in this report, but I want to give you a brief overview of the work we have completed that supports our strategic priorities for 2022/23:

- COVID-19: Recovering effectively
- Getting back to good: Continuing to improve
- Transformation: Changing things that will make a difference
- Partnerships: Working together to have a bigger impact

If we learned to live with COVID-19 in the last financial year, 2022/23 was the year we learned to move beyond it. I'm really proud of the way staff at SHSC have shown resilience to react to challenge, maintaining our services throughout the year.

I'm pleased to say that thanks to robust recovery plans we are seeing shorter waiting times in the services worst affected by COVID-19. We have worked hard to keep our service users safe from infection through our vaccination programme and we offered a COVID-19 vaccine to every member of staff and all our inpatients during autumn and winter.



Since we moved out of Special Measures (or System Oversight Framework (SOF) segment 4, which you can find more detail about in Section 3.5 of this report) in the last financial year, we have continued to improve our services. Introducing safe and therapeutic environments for service users has remained a key area of work for us, so it was wonderful to see our staff open a new, refurbished inpatient ward in December (pictured here). We have relocated our headquarters, providing a much-improved working environment for our support services, and we have completed all the preparatory work for the 'switch on' of our new electronic patient record (EPR) system which will be more efficient for our staff and help us to support service users better.



We are continuing to recruit more nurses and clinicians to our services and we have increased our workforce by the equivalent of 130 full time roles in 2022/23. Alongside this, we are recruiting nurses internationally. The first of our international nurses have started work at one of our residential nursing homes and more are completing training before starting with us later in 2023.

In our clinical and social care strategy, we reflect the local needs of Sheffield people and detail how we will meet those needs. Over the past year we have developed our partnership approach to deliver high quality care for service users. The South Yorkshire Integrated Care Board was launched officially in July and we were a key partner in establishing that integrated approach. We also continue to play an active and influential role in the South Yorkshire Mental Health Provider Collaborative.

Our Annual Report and Accounts will show you how we have spent our money this year. We will also explain to you about how we have performed against our targets that have been set locally and nationally.

I hope you have found this short introduction to our year useful. At Team SHSC our commitment and desire to provide great services for the people in the city is the golden thread that runs through our report.

Jan Ditheridge
Chief Executive



2.1.2 Who we are

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

We are a membership-based organisation, and our Board of Directors are accountable to the communities that we serve through our Council of Governors, and directly to our members at our Annual Members Meeting.

Our Council of Governors consists of people who use our services, their carers, members of the public and our staff. They work alongside appointed governors from other Sheffield-based organisations with whom we work in close partnership, including:

- NHS South Yorkshire up to the end of June 2022
- Sheffield City Council
- Sheffield Hallam University
- University of Sheffield
- Sheffield Carers Centre
- Sheffield African and Caribbean Mental Health Association
- Sheffield Mencap

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

2.1.3 Our services

We have an annual income of approximately £145m and employ 2,440 members of staff. We provide mental health, learning disability, substance misuse and a range of specialist services to the people of Sheffield. Our integrated approach to service delivery enables us to meet our service users' mental, physical and social care needs.



Our wide range of services include:

- Rehabilitation services for people with brain injuries and those living with the consequences of a long-term neurological condition
- 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
- Low-secure forensic inpatient services and community services
- Services that support people with a learning disability, their families and carers
- Services that support people with dementia, their families and carers
- Inpatient mental health services for adults and older people
- Rehabilitation services for people with mental health illness
- Specialist services including: eating disorders, adult autism, health services for homeless people and members of the traveller community, perinatal mental health services and gender identity services
- Teaching and research



Some of our specialist services, such as our gender identity clinic and our autism service, are also available to people living outside of Sheffield. Sheffield residents make up about 94% of all service users we provide care and treatment for, and overall, we provide services to around 55,000 people a year.

Our main commissioning partners in 2022/23 were NHS Sheffield Clinical Commissioning Group (now part of South Yorkshire Integrated Care Board (ICB)) and Sheffield City Council who together commission around 70% of our business. We are also commissioned by NHS England to provide some of our services nationally.

2.1.4 How we provide our services

We often see people 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 several years.

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

We deliver our services from around 40 sites across the city, mainly from our own premises but also in partnership with other organisations, such as our Liaison Psychiatry team who are based at the Northern General Hospital and we have staff who work in people's homes and alongside the third sector in the community.

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



2.1.5 Our Vision

Our vision is to improve the mental, physical and social wellbeing of the people in our communities.

Our vision will continue to guide us on our strategic journey to continuously improve. It will help us to focus our partnership work on what is most important to the people who need to access our services.

We will do this by:

- working with and advocating for the local population
- refocusing our services towards prevention and early intervention
- continuous improvement of our services
- locating services as close to people's homes as we can
- developing a confident and skilled workforce
- ensuring excellent and sustainable services.

2.1.6 Our values

Our values continue to underpin the way we work with service users, staff and our partners across Sheffield. Collectively we work together to make Sheffield Health and Social Care (SHSC) a great place to work and a great place for care.

 **Improving lives**

 **Everyone counts**

 **Respect and kindness**

 **Commitment to quality**

 **Working together for service users**

The dedication of our teams and our leaders to improving lives through the co-creation of patient and person-centred initiatives remains at the heart of our work and contributes to supporting us to deliver our Clinical and Social Care Strategy.

In 2022/23 we raised the profile of our values, with even greater emphasis made through a range of actions. Below are some highlights of values-based work we delivered:

- Refresh of our Annual Appraisal process, known as Performance Development Reviews (PDR) with wellbeing, recognition, talent development and learning opportunities central to the discussion and experience

- Development and launch of our high-profile leadership development programme, 'Team SHSC: Developing as Leaders'. Cohort one commenced January 2022, cohort two began in October 2022, and cohorts three and four are planned for 2023



- Training of three Restorative Just and Learning Culture advocates, with a further three in training in 2023. Through working together, they have influenced the reduction in employee relations cases
- Commenced the 'Agile Mindset and Behaviours' leadership development programme, with three cohorts of senior leaders (31 participants) involved during 2022
- Delivery of 'Unacceptable Behaviours Policy' training, which is ongoing. This training helps managers to support staff by building effective management skills that allow engaging, supportive and compassionate conversations, reducing discrimination and increasing inclusivity
- Service and Team Away days, where staff come together to learn, discuss, listen and deepen relationships through values-based agendas
- Improving recruitment, focusing on using different selection methods, panel membership and disability support resources

SHSC is stronger because our staff model our values in all they do. We continue to use our vision and values to set our standards of care and service quality, to shape our behaviours and cultural development and to test our strategic plans and how we work together with our partners.



2.1.7 Our strategic aims

Our strategic aims are:

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

Our strategic direction sets out where we aim to be by 2025 and what we need to do to get there in an increasingly changing world and a financially challenged environment.

We remain optimistic about the important role we will continue to play in reducing health inequalities and improving the health and wellbeing of the population we serve, by working with our health and social care partners in Sheffield and the Integrated Care System (ICS) in South Yorkshire.

2.1.8 The care we want to provide

Clinical and Social Care Strategy



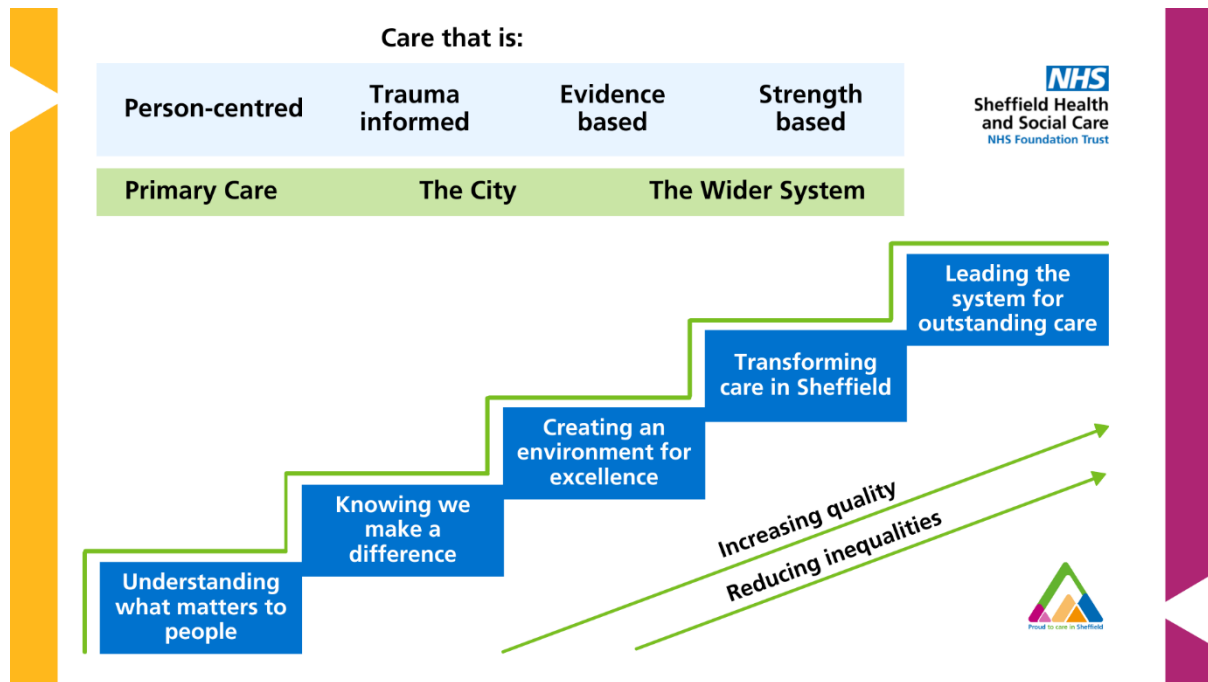
The Clinical and Social Care Strategy

The Clinical and Social Care Strategy (2021-2026) is our core five-year plan to increase quality whilst reducing inequalities across Sheffield. The strategy was coproduced with extensive involvement from service users, carers, colleagues in SHSC and partners across Sheffield. Through this consultation we developed four pillars: person-centred, strengths-based, trauma-informed and evidence-led as principles for care to inform our approach across services.

Delivery of the Clinical and Social Care strategy has been divided into four distinct workstreams to deliver the pillars as follows:

1. Person-centred and strengths-based care
2. Trauma-informed approach
3. Evidence-led care
4. Coproduction to support delivery of the strategy

The diagram below shows our broad goals for achieving these aims over the five years:



We are striving to deliver care that:

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

Year One Objectives (2022/23): What Matters to People

Here is a summary of the key pieces of work which have been happening over the last year:

Providing services that are trauma informed/deliver trauma informed care:

Establishment of baseline assessments of trauma informed care across the rehabilitation care pathway. Quality Improvement methodology is being used to

implement improvements in care alongside training and supervision to shape and change practice.

Provide treatments and interventions that are evidence-led: Structured Clinical Management (SCM) as an evidenced based approach to working with people presenting with complex trauma/personality disorder. SHSC has invested in team training for the North and South Recovery teams and an implementation team to deliver this clinical approach. The evaluation within the pilot project has shown that service users' weekly average crisis contacts have reduced by 49% since starting SCM compared with the 18 months prior to the pilot.

Person-centred Care: We have conducted initial workshops to establish what person-centred principles we want to consider in developing this work across SHSC. We will consider how these principles need to be tailored to different teams and areas to make them meaningful for individuals. The work will also include moving to a new way of personalised care planning for patients who receive care from our services.

Intervene early with an offer of care that's joined up and within people's local communities: Primary care mental health transformation which integrates community models for adults with serious mental health problems has continued to expand to reach people in local communities. The programme is moving into phase three with an ambition to bring together multiple teams to provide a whole system approach bridging the service provision gaps service users told us about.



Reducing restrictive practice: A number of initiatives have been delivered. All wards now have a relaxation room and de-escalation room (for example safe spaces within wards) whilst following the ambition to remove seclusion rooms from the acute wards. Alongside this there have been improvements to systematise support including post incident support for staff and service users. To support reduction in restrictive practice teams are taking opportunities for discussions around restrictive practice at short group meetings called Huddles, daily handovers, Multiple

Disciplinary Team (MDT) reviews, within reflective practice sessions, and at formulation planning sessions.

Ensuring purposeful admissions for people admitted to inpatient wards: The acute wards are working to implement Purposeful In-Patient Admission (PIPA), a range of initiatives to improve the experience of service users, carers and staff; ensuring there is a clear purpose for each admission and then for the systems and processes to effectively fit around this.

Expand access to Perinatal Services to support vulnerable women and give the best start in life for children: Perinatal has a focus on expanding access from 5% to 11% of the birth rate in Sheffield and seeing infants up to 24 months. The team are working to increase access and engagement, supporting partners and to reach higher risk groups including the Roma/Slovak community.

Coproduction is a key factor in the success of the strategy working with service users, carers, and staff throughout the five-year implementation plan. We have established a service user reference group and they are using the National Survivor User Network 4Pi principles. The group have formed positive links and partnerships with Sheffield Flourish, Healthwatch, Voluntary, Community and Social Enterprise (VCSE) and Rethink to develop wider networks and partnership working to ensure a broader representation.

Creating environments for excellence: we have started a full programme of work to improve the environment for service users and staff, alongside small change big impact projects. For example our East Glade recovery team were successful in obtaining funding for continuing development of the green space meadow within the community garden/grounds.



Year Two Objectives: Knowing we make a difference / Initiating the systematic collection of outcome measures across SHSC

Our objectives for 2023/24 include the following pieces of work:

Measuring meaningful change: Following on from the data gathered through coproduction of the strategy, further work continues to refine the outcomes and benefits profile for the programme. These will include a combination of patient reported, as well as process and delivery measures which will demonstrate how effectively we have made a real difference to the population we serve.



We will collect data and information in 2023 to show us how we currently perform with trauma informed, person-centred, and evidence-led care. We will then continue to measure ourselves against this data to assess how the strategy has impacted on improving these measures over time.

2.1.9 Our strategic priorities

Our strategic priorities delivered our vision and strategic aims through 2022/23. They focussed on:

- **COVID-19:** Recovering effectively
- **Getting back to good:** Continuing to improve
- **Transformation:** Changing things that will make a difference
- **Partnerships:** Working together to have a bigger impact

COVID-19 - Recovering effectively

- Ensure staff are vaccinated and service users are protected
- Improve capacity and reduce waiting times in those services affected by increased COVID-19 demand
- Implement new agile ways of working

Getting back to good - Continuing to improve

- Implement our Quality Improvement Plan
- Implement our Leadership Programmes
- Implement our Workforce Plan and recruit to all vacancies
- Develop our staff to deliver fundamental standards of care
- Deliver our Estate Plan to create safe, dignified facilities
- Deliver our Care Quality Commission (CQC) Action Plan including Well-Led

Transformation - Changing things that will make a difference

- Roll out primary care mental health services to 15 Primary Care Networks (PCN's) by 2023
- Implement Community Mental Health New Models of Care in 2022
- Implement and deliver our new electronic patient record (EPR) in 2022/23
- Improve our services for people who have a learning disability or autism by implementing 'Building The Right Support'

- Relocate our HQ and corporate services during 2022
- Open our new Acute Care Therapeutic facility in 2025/26
- Improve our community facilities by 2023/24

Partnerships - Working together to have a bigger impact

- Sheffield Place: secure support to implement our transformation programmes and our Clinical and Social Care Strategy
- Provider Alliance: develop our engagement, involvement and ability to influence action to improve service provision
- South Yorkshire and Bassetlaw Integrated Care System: secure support for delivering the Long-Term Plan priorities
- Universities: develop and implement our new Research and Innovation and Effectiveness strategies in partnership

In March 2023 we reframed our strategic objectives:

- Recover services and improve efficiency
- Continuous Quality Improvement
- Transformation – changing things that make a difference
- Partnerships – working together to have a bigger impact

2.2 Performance Analysis

2.2.1 The progress and improvements we made in 2022/23

- **COVID-19:** Recovering effectively

Throughout 2022/23 our services have returned to pre-pandemic arrangements whilst keeping hold of the positive learning from the COVID-19 period. As a result of this we have been able to direct our focus to the core aspects of our strategy.

Demands on our services: Demand levels across most services are in line with pre-COVID-19 levels over the medium to longer term. Increased demand is being managed within Memory Services and Sheffield Autism and Neurodevelopmental Services and we have worked with our partners across Sheffield Place to agree plans to deliver improvements through 2023/24.

Activity within services: Activity levels have returned to pre-pandemic levels over the medium to longer term. Most services have returned to pre-COVID-19 ways of working and have utilised the learning from working in a global pandemic. This is evident by the increase in face-to-face contact with service users. This has recovered and is around 10-15% lower than pre-pandemic levels due to increased use of remote and virtual means of supporting service users.

Our Winter Plan was implemented well: Our plans focussed on ensuring services remained accessible across community and inpatient areas. We increased the level of community support available with our Voluntary, Community and Social Enterprise (VCSE) partners and our focus within inpatient services was to address long lengths of stay and delayed discharges.

- Our partnership with the Sheffield Mental Health Alliance has established a network of ten VCSE organisations, and this has delivered support to over 123 people waiting to access Single Point of Access. Emotional Wellbeing Service interventions have received support with 80% reporting positive improvements to their quality of life (using ReQoL, a tool to assess the quality of life for people with different mental health conditions) and 76% being able to be discharged from our waiting lists following review
- We have tested the development of mental health interim discharge beds with two local residential care providers providing interim accommodation and support for inpatients who are experiencing delays in accessing a social care support package

Services were resilient through winter: Changes in demand through winter were not significant and did not impact upon service continuity. There was a strong focus on ensuring flow across the urgent care pathway and the general position is better this year than last winter; however rates of out of area placements and lengths of stay remain high.

- Fewer 12-hour breaches in Accident and Emergency for people needing a mental health assessment: there have been eight breaches between October-January, a significant reduction on last winter

- The Health Based Place of Safety has been more accessible: Beds were repurposed for inpatient care needs on 18% of days in December 2022 and 23% in January, compared to 80% of days in January 2022
- Delayed Transfer of Care while reduced in December to around 15%, has remained at around 30% in October, November, and January
- Rates of Out of Area Placements and Lengths of Stay have remained high through December and January

As we end the year, we are confident in the progress we have made in ensuring we have recovered from the impacts from the pandemic. Our focus going into 2023/24 is on ensuring services continue to remain resilient and efficiency is improved.

- **Getting back to good:** continuing to improve

The Back to Good programme delivers the improvement actions in response to CQC Inspections. We have made positive progress across key areas of regulatory improvement requirements, leadership development, workforce planning and improving our estate.

We are implementing our Leadership Programmes: This is key to the delivery of the strategic priorities and considerable progress is being made.

- 58 leaders have been through the multi-disciplinary 'Team SHSC: Developing as leaders' programme and 30 through the 'Agile Mindset and Behaviours' programme for senior leaders. Both programmes continue with new cohorts in 2023/24
- Five leaders have joined the Leading Sheffield programme, a place based multi-disciplinary leadership programme facilitated by the South Yorkshire Integrated Care Board
- Seven leaders are currently undertaking the Mary Seacole programme, with five commencing in August 2023, via the North East and Yorkshire Leadership Academy



Further detail is provided in section 3.1.18.

Plans to implement our workforce plan and recruit to all vacancies continue: 96% of the planned workforce expansion for 2022/23 to support service expansions has been recruited to. Whilst progress in delivering the expanded staffing numbers is clearly positive, in some cases recruitment may have drawn on staff working in other teams, and subsequent staff turnover will mean that vacancies will still exist.

Our routine performance reports show improvements to recruitment and retention. The total workforce across SHSC increased by 6.6%, an extra 130 whole time equivalent (WTE) staff, from 2,250 WTE in April 2022 to 2,380 WTE in February

2023. Turnover has reduced slightly from 15.5%-16.5% during 2021/22 to 15% by December 2022. Vacancy rates have reduced slightly each quarter of 2022/23.

Our first internationally recruited nurses have started with two nurses joining the Birch Avenue Team. We aim to have 15 nurses working in our services by the end of September 2023. Towards the end of the year we were awarded GMC approval to undertake overseas recruitment for medical staff and we have already been successful in recruiting five Speciality Doctors who will be joining our teams in September 2023.

Our Estates Programme is delivering on improvements and creating safer and more dignified facilities:

The Ligature Anchor Point Removal programme to make wards safer by removing opportunities for self-harm is at 84.7% completion against the Section 29a requirement, and 74.3% for all clinical environments.

Our headquarters moved to Centre Court and Distington House in August 2022. This provides a modern working environment that support agile working. The subsequent sale of our old headquarters, Fulwood House, will release capital funds to support improvements to our inpatient estate.

Following the successful re-opening of Burbage Ward in November 2022, work commenced on Stanage Ward in January, due to complete in September 2023

The re-location of our Liaison Mental Health Service completed in March and the team have moved into their new base at the Longley Centre. This allows us to leave and discontinue with our accommodation that had the highest environment risk.

Enabling projects for the Health Based Place of Safety (HBPoS) completed in March 2023 with the relocation of offices and the opening of a new reception area. The main programme of work can now commence and is scheduled to start in April 2023.



The new reception at the Longley Centre

CQC Report at Year 2 (August 2021 and December 2021 inspections): The Back to Good Programme is on track. Progress has been made to ensure the requirements specified by the CQC have been met.

There are 75 requirements in total that must be met in connection with the CQC inspection reports from August and December 2021. Of the 75 requirements 64, of a target of 74, have been completed by March 2023, or have a status of complete awaiting approval by the Quality Directorate. One requirement remains open.

- **Transformation:** changing things that will make a difference

Our Strategic Transformation Programmes continue to progress broadly in line with our plans or revised plan agreed by the Transformation Board. There are ongoing challenges in respect of capital availability, revenue affordability and uncertainty regarding national funding programmes and allocations.

Key areas of progress have been delivered in respect of:

Therapeutic Environment: Open our new Acute Care Therapeutic facility in 2025/26:



Burbage ward refurbishment work was completed, and the ward re-opened in November 2022 providing 100% single bedroom accommodation for the first time across our acute inpatient estate. This has delivered significant environmental improvements and benefits to the care provided. Work has commenced to refurbish Stanage ward which is scheduled to re-open in September 2023.

The SHSC Board of Directors has agreed that the Maple Ward business case needs to be developed for delivery during 2023/24 and should reflect the alignment with the Out of Area improvement delivery plan.

There are challenges that have impacted on this programme. Delivering changes whilst ensuring service continuity has been complex and there has been uncertainty regarding the outcomes of the NHS New Hospital Programme Fund. The Strategic Outline Case development was reviewed at the end of December 2022 and further work has been initiated to review alternative models of development that would be less dependent on a fully funded national capital allocation.

Community Mental Health Teams: Implement Community Mental Health New Models of Care in 2022: Significant progress has been made. We have co-produced our proposed model with services users, their families and carers and our staff. We have developed Patient Reported Outcome Measures with Experts by Experience, Flourish and Healthwatch who have facilitated patient journey workshops in relation to the new clinical model. The case for change for the new service model was agreed by the Joint Consultative Staff Forum and the Programme Board in December 2022.

Consultation with staff on the proposed changes commenced in early January 2023 and continues into May 2023 and puts us in a positive position to move to the new model during 2023/24.

Primary Care Mental Health: Significant progress has been made in building and developing services across primary care and the primary care networks. This has been delivered through high levels of co-production and engagement with people with lived experience and staff. There is increasing consensus towards the new model that is being developed and what will be offered across the primary care networks in Sheffield.

Final proposals are expected in early 2023/24 and the new service model will be implemented during 2023/24.

New Learning Disability Model: Improve our services for people who have a learning disability or autism by implementing 'Building the Right Support.': The Strategy for the future of our Learning Disabilities Service has been developed. The engagement commenced in January 2023 regarding the proposed future models for inpatient and community care with an increased focus on a more intensive community offer.

In support of the Strategy, the Learning Disability Programme has developed a clear clinical and operational model and continues to co-produce with stakeholders plans to operationalise the model. This will support the delivery of our strategy and we have been supporting the ICB led engagement work by running 'You said, we did' events and continuing to co-produce plans for our future community model of service.

The engagement and consultation work will conclude in 2023/24 and plans will then be confirmed about the way forward for service provision.

New EPR: Implement and deliver our new EPR in 2022/23: We have chosen Rio as our new EPR and much of 2022/23 has been spent getting ready to launch it across our clinical services. There has been some delay to the implementation timetable due to the need to ensure the necessary procurement approaches were in place for staff training support and an overall Gateway Review on the state of readiness of the programme. The revised implementation plan will see Rio launch IN 2023.



This is a critical improvement programme that will impact positively on the care we provide to our service users. Designed for modern work practices with secure sharing of information across mobile devices or web browsers, Rio provides real-time service user information and notifications for faster, safer decision making and maximising the time spent with service users.

Community Facilities: Improve our community facilities by 2023/24: The available capital funds through 2023/24, set by the NHS Capital Departmental Expenditure Limit (CDEL), severely restrict our options to provide the necessary accommodation solutions for key community services in response to poor current environments, expanding or changing service needs. Options are being finalised.

As we end 2022/23 proposals are being reviewed and finalised for the future accommodation of our Assertive Outreach, Community Forensic, Specialist Psychotherapy, Eating Disorders and IAPT services. Following approval these will be implemented during 2023/24.

Health Roster Project: We successfully completed our health roster project in January 2023 following training and engagement with over 3,000 staff to place everyone on a directly accessed self-managed system for rotas and leave. The significant benefits are already being realised through our cost improvement programmes.

- **Partnerships:** Working together to have a bigger impact

We continue to work collaboratively across our system, the South Yorkshire Integrated Care Board, South Yorkshire Mental Health, Learning Disability and Autism Provider Collaborative, and within the Sheffield Health Care Partnership. This supports the delivery of our strategic priorities and our responsibilities under the Health and Social Care Bill 2021.

Supporting service development across the South Yorkshire Integrated Care System Mental Health, Learning Disability and Autism Provider Collaborative:

We work collaboratively across the system, particularly with the South Yorkshire Mental Health, Learning Disability and Autism Provider Collaborative. This is a key area for the Trust as Place based systems collaborate and continue to develop plans that respond to the needs of local people, and the shared transformation agendas.

The Provider Collaborative continues to progress development work across jointly agreed key priority areas:

- Section 136 (Health Based Place of Safety)
- Neurodiversity diagnosis and support
- Learning Disability, crisis and complex placements

SHSC has led the work to develop improvements for Section 136 and Health Based Place of Safety across the Collaborative, and we continue to actively engage with the Provider Collaborative development and work programme providing clear leadership support and input.

Supporting the delivery of Sheffield Place priorities and plans: The Sheffield Place Mental Health and Learning Disability Delivery Board brings together stakeholders from across the city and provides a way for us to work collaboratively with partners to align priorities and our shared efforts on delivering change and improvements. Through the Board we have reviewed the Sheffield Mental Health and Wellbeing strategic priorities, areas for growth and investment for the Sheffield 2023/24 plan.

Building our partnerships with the Voluntary Community and Social Enterprise sector (VCSE): Effective partnership working across the VCSE have been essential and joint working initiatives have supported the delivery of key service pathways. Through 2022/23 we have built our approach with the Sheffield Mental Health Alliance to explore areas that would benefit from closer joint working.



Addressing access challenges and winter pressures: Our partnerships with the VCSE, coordinated with Sheffield African Caribbean Mental Health Association (SACMHA) and the South Yorkshire Community Foundation, is supporting the delivery of our Winter Plan. They have been able to bring expertise, community connections and capacity to support our services and improvement work.

Working as part of the Sheffield Urgent and Emergency Care (UEC) Pathway: We have continued to fully engage as part of the UEC network in Sheffield. Our plans are focused on ensuring effective delivery of the crisis care pathway and maintaining flow to ensure that people within the broader UEC pathway who need mental health support can access it.

Working with Social Care Services to support improved patient discharge: Our Winter Plan was strengthened through the Adult Social Care Discharge Fund and an allocation of £138,000 to the end of March 2023. We have tested the development of Mental health interim discharge beds with two local residential care providers, providing interim accommodation and support for inpatients who are experiencing delays in accessing a social care support package.

Working in partnership with Universities and research networks: SHSC has developed strong research partnerships with Universities and research networks - locally and nationally. We currently host and sponsor a research grant portfolio worth over £7m and are in the top 17% of all Trusts nationally, and in the top five of mental health Trusts, for our research income from National Institute for Health and Care Research (NIHR) grant capture. We work in collaboration with our partners to develop research that supports our strategic priorities and develops interventions to improve health outcomes and reduce health inequalities.



Throughout 2022/23 we have:

- Collaborated on two large programmes of research with the University of York focused on co-production of interventions to support people with severe mental health issues to increase their physical activity and to reduce or stop smoking.
- Secured two further grants with the University of Sheffield, (the Academic Unit of Primary Care and the Management School) focused on developing a toolkit to support GPs with managing complex mental health and a project looking at New Roles, New Challenges: Understanding boundary work to support the implementation of new roles in mental health Trusts.
- Working with the University of Sheffield (School for Health and Related Research) and the Yorkshire and Humber Applied Collaboration for Research (ARC) we have been successful in gaining funding to undertake evaluation of interventions being delivered through the Patient and Carer Race Equality Framework (PCREF).

2.2.2 Our Performance Framework

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

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

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

We examine a range of indicators that are either set for us contractually by commissioners, or because we have set ourselves an ambition to achieve or improve the services we deliver.

In 2022/23 there were deliverables from the NHS Long Term Plan which we continued to monitor ourselves against, even though we were not performance managed as part of our contracts with NHS Sheffield Clinical Commissioning Group because of the ongoing COVID-19 pandemic.

The key metrics and our performance is laid out below:

Measure Name	Target 22/23	Internally Reported Performance 2022/23	Reported Performance 2021/22
Total access to IAPT services	17,183	13,323	13,999
IAPT Recovery Rate	50%	51.52%	50.10%
IAPT Waiting Times (6 weeks)	75%	98.9%	97.40%
IAPT Waiting Times (18 weeks)	95%	99.8%	99.80%
Inappropriate adult acute mental health Out of Area Placement (OAP) bed days	0	4642	5,556
Adult mental health inpatients receiving a follow up within 72 hours of discharge	80%	80.7%	78.50%
First Episode Psychosis treatment with National Institute for Health and Care Excellence (NICE) recommended package of care within two weeks of referral	60%	76.7%	57%
*Mental Health Services Dataset - Data Quality Maturity Index score	80%	90.5%	88.7%

*As at January 2023 Data Quality Maturity Index score for the Trust was 90.5%, made up of three data quality scores for submissions to Community Services Dataset (CSDS) 73.9%, Mental Health Services Dataset (MHSDS) 95.2% and IAPT Dataset 99.4%.

Alongside ensuring we continue to progress these important issues, we also routinely look at demand, activity, quality and safety and workforce indicators in the IPQR.

You can take a look at the Trust's monthly IPQR reports at www.shsc.nhs.uk/about-us/board-directors/meeting-minutes-and-agendas

2.2.3 Capacity to handle risk

Corporate governance is the means by which the Board of Directors lead and direct the organisation to ensure that decision making is effective, risk is managed, and the right outcomes are delivered. Assurance is gained from a wide range of sources that are systematic, supported by evidence and incorporated within a robust governance process. The Board of Directors achieves this through the work of its committees, by audit and other independent inspection, and by systematic collection and scrutiny of performance data, to evidence the achievement of objectives.

This is delivered through the following governance systems:

- Board committees - The Board of Directors and its committees receive and scrutinise the risks to achieving our strategic objectives through the Board Assurance Framework and the Corporate Risk registers. The Audit Committee has delegated responsibility for monitoring the risk management and assurance systems within the Trust.
- Performance reviews - All operational services have a consistent and established integrated performance and quality review framework that ensures day-to-day performance is reviewed. The Executive team carries out tri-annual reviews performance of all departments.
- Clear improvement priorities - Priorities have been developed, agreed and are represented in our delivery plans. These priorities will ensure clarity of purpose and that each improvement priority has a defined timeframe, milestones and agreed measurements to ensure we can understand the progress made, outcomes delivered and agreed governance oversight.
- Managing risks to the delivery of safe and effective services - The Board Assurance Framework sets out the Trust's strategic objectives, the risk to achieving them and the control and assurance mechanisms that have been put in place to manage risks and deliver the objectives. A healthy culture of risk discussion is encouraged at all levels to support effective corporate and clinical risk management with risk registers in place to ensure risks are identified, escalated and managed effectively.
- All members of staff have an important role to play in identifying, assessing and managing risk. To support staff, the Trust engenders a fair and open environment, The Trust's culture promotes the reporting of all incidents and staff are encouraged to follow alternative feedback mechanisms, including through the Freedom to Speak Up (FTSU) Guardian, the Guardian of Safe Working and/or through the Trust's FTSU (whistleblowing) policy.
- Ensuring the delivery of our plan - We have put in place a range of actions to deliver the strategic priorities and key deliverables against our Annual Operational Plan. The Annual Operational Plan has monitoring arrangements in place explicitly linked with the Board Assurance Framework risks. Progress against the plan is reported to our Finance and Performance Committee on a quarterly basis and corrective action is taken where required.
- The internal audit plan includes a yearly review of the Trust's approach to risk management. The recommendations and learning identified from such reviews are taken forward, to support improvements and the embedding of risk management in the Trust. The Audit Committee maintains oversight of the internal audit plans and internal audit reports are also received at relevant board committees for assurance and for monitoring delivery of actions.

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

Over the last year there has been continued commitment to improve corporate and quality governance arrangements. Our focus has been to ensure all parts of our organisation are better aware of the quality, safety and effectiveness of the care we provide and that the right decisions are taken by the right people, at the right time, to maintain and improve quality.

An externally facilitated risk review was commissioned by the Trust in 2022 which looked at strategy, systems and processes and capacity, capability and culture. Reference was made to positive improvements which have taken place related to risk management and recommendations on areas of continuous improvement were identified which are being monitored through the Audit and Risk Committee. The Internal Audit of Risk Management provided a split assurance with 'Significant' for improvements in governance arrangements and 'Limited' for progress in some areas of risk register management.

Work has taken place by the Board of Directors to determine current risk appetite with updated appetite statements captured and reflected on the Board Assurance Framework. A Risk Oversight Group, reporting to the Audit and Risk committee has been established to strengthen, confirm and challenge around risks on the Corporate Risk register, to support cascading risk appetite statements across the organisation and understanding of requirements and to support development of the review of the Risk Management Strategy in 2023.

2.2.4 Challenges we face

As we come to the end of 2022/23, we naturally turn our attention to the next year. Our strategic direction, Clinical and Social Care Strategy and our ten aligned enabling strategies will be supported by clear implementation plans. These plans take account of our key challenges, which are reflected below:

- **The systemic inequality that exists and harms people in our communities** will be exacerbated by the economic downturn and the longer-term effects of COVID-19. This will disproportionately affect the socially disadvantaged and people from ethnically diverse communities within Sheffield. We have an important role to play in helping Sheffield's recovery and we will monitor levels of need and resources required
- **Demand for services is forecasted to increase** in the near to medium term as the socio-economic consequences of the last two years continue to impact on people's health across Sheffield. We have developed demand, capacity and workforce plans to respond to the recovery phase
- **It has been a very challenging two to three years** for the people who use our services, their carers and our staff. We must change and expand services to deliver on our strategy and the NHS Long Term Plan. We need to develop and expand our workforce with more and different roles, improve our succession planning and work closely with partner services to deliver integrated care
- **Ensuring integrated care** for the people who use our services, and their carers has been a core feature of the way we deliver care. New arrangements

are being introduced by Sheffield City Council for the future provision of social care support and assessment and care management. We need to ensure these arrangements support our staff to deliver accessible, timely and integrated care for the people of Sheffield, with minimum added bureaucracy for individuals and our staff, and alignment with our transformation plans for crisis and community mental health services

- **Financial constraints** will have an impact on our capacity to expand our workforce to extend services and to invest in our improvement priorities. There remains uncertainty over the new funding we can expect over the next period, and our efficiency requirements to support the delivery of our plans will be very challenging. We have worked closely with our partners and commissioners at Sheffield Place and the South Yorkshire Integrated Care System to agree the priorities in 2023/24 and beyond

2.2.5 How will we continue to make improvements

Continuous Improvement

Our strategy is based on our values and the recovery principle, delivering care that is person-centred, strengths-based, evidence-led and trauma-informed, increasing quality and reducing inequality.

We will deliver our strategic priorities for 2023/24 through well-structured improvement plans which engage staff and have a clear reporting framework, with Executive and Board of Directors oversight.



Our plans will focus on:

- **Addressing inequalities for our service users and our staff:** Various improvement activity focuses on how our Trust can support with addressing

inequalities across the region. This includes empowering frontline staff to make sustainable changes.

- **Improvement through co-production:** Continuing to strengthen our approach to improvement and development with clear patient-centred, co-produced approaches.
- **Information driven decision-making:** Using information effectively to underpin our approach and the decisions we make. We will continue to develop our Performance Framework. We will triangulate insights from various sources including; patient and staff stories, feedback, performance and learning from existing improvement actions.
- **Staff wellbeing and effective leadership:** Focussing on staff wellbeing, improving staff experience, and developing our leadership skills at all levels of our organisation.
- **Ways of working:** Building our culture and ways of working so that everyone can contribute and take responsibility for improving the care we provide to ensure safe and effective care is delivered. For example, by providing frontline staff opportunities to develop their ideas for innovation and improvement via the “Improvement Hub”. Effective co-production will underpin our approach.
- To support the above plans, we will focus on ensuring there are robust and visible systems for learning and continuous improvement. This includes monitoring the building of improvement capability and logging all Quality Improvement activity. We will continue to work with our frontline teams, service users and system partners to deliver visible improvements that are sustained.

We will also support our people to disseminate their learning within the Trust and beyond, which will help engage others with improvement. For example, through internal events such as our Research showcase, national conferences such as the Bristol Patient Safety conference and international conferences such as the Institute of Healthcare Improvement Summit.

Transformation

The Transformation Portfolio consists of projects and programmes to deliver large scale improvements. 2022/23 saw the successful implementation of some of these as stated in section 2.2.1 including the relocation of our headquarters, the refurbishment of our acute inpatient wards, and the implementation of Health Roster.

Work continues on the delivery of the other key strategic change programmes:

- The transformation of primary and community health services; which will see the implementation of new, inclusive and generic community based offers for serious mental illnesses provided in 15 locations across Sheffield

- The implementation of a new EPR which will improve health outcomes for service users by providing a holistic view of their care
- Improving our community estate to enable teams to deliver excellent care in respectful and healing environments
- Preparation for the development of a new inpatient acute care therapeutic facility and health based place of safety (136 suite)
- Designing and providing an effective model of care for people with learning disabilities or learning disabilities and autism
- Improving delivery of our Community Mental Health Team (CMHT) services

The programmes are structured appropriately with robust oversight, leadership and application of risk management to promote successful achievement of improvements and outcomes for the people of Sheffield.

2.2.6 Going concern

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

2.2.7 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 communities across Sheffield through our membership as represented by the Council of Governors.

An Annual Members Meeting was held in October 2022 which gave people the opportunity to raise issues or topics with us. We are also active on social media and follow up enquiries and concerns raised online. We hold a range of engagement events through the engagement team which encourage community members to join us and work in coproduction. Volunteers also make up an important part of our social and community activity and are recognised each year for their input.

2022 saw an important change in the NHS commissioning structure as we moved into a new Integrated Care System (ICS) governed through South Yorkshire Integrated Care Board. We have worked closely with the commissioners of our services through the ICS, Sheffield City Council and NHS England.

As well as our local partners in Sheffield, for example South Yorkshire Police through our 136 Suite, Health Based Place of Safety and Liaison Service and through work to reduce hate crimes within SHSC, we also work closely with a range of community and voluntary partners. We have a strong relationship with Flourish, a mental health charity rooted in Sheffield and 2022 saw us working closely with the Pakistani

Muslim Centre, Sheffield African Caribbean Mental Health Association (SACMHA) and Firvale Community Hub to name a few.

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 trade union membership.

Human Rights

The Human Rights Act 1998 requires all public sector agencies to protect, respect and fulfil human rights. Beyond this being a legal duty, our organisation regards upholding human rights as central to the wellbeing and dignity of service users. We appointed a Human Rights Officer (HRO) in 2021 to ensure long term Human Rights Act compliance in policy and practice and to launch a permanent human rights training initiative, available to all our staff, so that a rights-respecting culture is infused at all levels. We are the first NHS mental health organisation in England to have appointed a permanent HRO as part of the process of embedding rights-respecting practice into our organisation. The HRO has acted as an internal resource for staff across the service, providing internal guidance on the operation of the Human Rights Act as it relates to day-to-day patient care planning, Trust governance, policy development and review and staff training. The HRO has delivered specific training in relation to requests from service users, staff, groups, and initiatives.

Part of the HRO's work has been promoting human rights with internal and external service user support organisations to enhance and promote human rights knowledge and understanding amongst service users and the community as a key factor in supporting mental health and social care. This has included reaching out and developing relationships with our internal service user forum, Sun:Rise, and externally with SACMHA, Sheffield Voices and Flourish.

In 2022 we worked with partners at the British Institute of Human Rights (BIHR) to kickstart a long-term human rights training package to staff. We held two co-production workshops with service users to develop the staff human rights training curriculum. During 2022, 121 staff participated in six hours of wave training. Trainees were drawn from across our organisation with frontline staff from community and in-patient services and management and administrative staff. Out of this initial cohort, a smaller group has been undertaking advanced training of 30 hours. This smaller cohort's training will enable them to become human rights leaders/champions within their respective units to promote and embed a human right-centric culture. Training has also been provided to the Board of Directors.

In the long term, the capacity training programme which started in 2022 will become a fixture in our organisation, and the number of human rights leads will expand in 2023. Furthermore, the HRO will continue to provide targeted bespoke training tailored to the needs of staff working in their specialisms, to promote human rights frameworks geared towards the specificities of their practice areas and work to the Trust's goal of engraining human rights as central to its operational culture.

2.2.8 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 2023 and the report being issued in June 2023.

2.2.9 Details of any overseas operations

The Trust had no overseas operations during 2022/23 in respect of the provision of healthcare services.

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

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

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

2.2.10 Closing statement

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

Jan Ditheridge
Chief Executive
Date: 28.06.2023

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. They set the strategic direction of the Trust, provide assurance against its agreed objectives and risks, and lead and support the values of the organisation.

3.1.2 The Non-Executive Team

- Sharon Mays (Chair)
- Richard Mills (Vice-Chair) until the end of February 2023
- Anne Dray (Senior Independent Director)
- Heather Smith
- Dr Olayinka Monisola Fadahunsi-Oluwole
- Owen McLellan from July 2022
- Mark Dundon from March 2023

3.1.3 The Executive Team

- Jan Ditheridge - Chief Executive
- Beverley Murphy - Executive Director of Nursing, Professions and Operations and Deputy Chief Executive until February 2023* (the voting role moved in January 2023 when the post holder was on secondment to NHSE)
- Dr Mike Hunter - Medical Director - Deputy Chief Executive from January 2023
- Phillip Easthope - Executive Director of Finance
- Caroline Parry - Executive Director of People
- Salli Midgley - Interim Executive Director of Nursing and Professions from January 2023

3.1.4 Non-voting directors

- Pat Keeling - Director of Strategy
- Deborah Lawrenson - Director of Corporate Governance and Board Secretary from April 2022
- Neil Robertson - Interim Director of Operations and Transformation from January 2023

- Susan Rudd - interim Director of Corporate Governance and Board Secretary until April 2022 (at which point there was a period of handover)

In addition to the roles outlined above, Professor Brendan Stone (Associate Non-Executive Director) has attended the Board in a non-voting capacity and was re-appointed by the Board of Directors for a further two years effective from 1 March 2023.

3.1.5 Directors' statement as to disclosure to the auditors

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

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

3.1.6 Accounting policies statement

Accounting policies for pensions and other retirement benefits are set out in the Annual Accounts in Section 5.0 of this report and details of senior employees' remuneration can be found in the Remuneration Report in Section 3.2 of this report.

3.1.7 Our auditors

Our external audit function is carried out by KPMG. A full competitive tender process was carried out during 2019 to ensure compliance with regulator requirements. The outcome of the tender process, following a detailed review was the recommendation to the Council of Governors for the appointment of KPMG, who had previously carried out the function for a number of years.

The decision was approved on 12 December 2019 for the commencement of the contract on 1 April 2020, for an initial period of three years, with an option to extend for a further year.

In 2022/2023 a recommendation was made to the Audit and Risk Committee, Board of Directors and Council of Governors that the contract be extended for a further year which was approved by the Council of Governors in December 2022. A tender process will take place in 2023/24.

3.1.8 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 of Directors 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 of Directors 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 the way the Board of Directors 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 of Directors has reserved to itself and those it has delegated and to whom.

The Chair of the Trust presides over the meetings of the Board of Directors and the Council of Governors and 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 of Director's affairs and ensuring that it acts as an effective team
- Leading the Non-Executive Directors (NEDs) 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 and other Directors on Very Senior Managers contracts.

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' Nomination and Remuneration Committee.

During 2022/23, the Board of Directors met every month. Meetings were held in public and were open (in part) to members of the public and the press via livestreaming in May 2022, July 2022, September 2022, November 2022, January 2023 and March 2023. Any business of a confidential nature or which is commercially sensitive is transacted in private and the Board of Directors has been open about the need to do this.

The Board of Directors takes account of the NHS Constitution and the Health and Social Care Act 2012 in its decisions and actions, as they relate to service users, the public and staff of Sheffield Health and Social Care NHS Foundation Trust and to the

requirements around the duty of collaboration. The principles and values set out in the NHS 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 NHS Constitution as they apply to mental health service providers.

3.1.9 Attendance at Board of Directors and committee meetings

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

Audit and Risk Committee (ARC)

The committee met five times during the financial year and has remained quorate.

Committee members (three Non-Executive Directors) - Quoracy two members - all meetings were quorate	
Anne Dray - Committee Chair and Non-Executive Director	5/5
Richard Mills - Non-Executive Director member of the committee until February 2023	3/4 (delegate sent)
Heather Smith - Non-Executive Director	3/3
Owen McLellan - Non-Executive Director and member of the committee from July 2022	1/2 (delegate sent)
Regular attendees as required by the terms of reference (ToR)	
Phillip Easthope - Executive Director of Finance	5/5
Other regular attendees	
Matt White - Interim Deputy Director of Finance (until 31 August 2022)	3/3
James Sabin - Deputy Director of Finance (from 4 July 2022)	2/3
Deborah Lawrenson - Director of Corporate Governance (Board Secretary) from April 2022)	5/5
Susan Rudd - Interim Director of Corporate Governance (Board Secretary) attendee until April 2022	1/1
The TOR states meetings will be attended by a representative of External and Internal Audit	
Attendees have attended as required (including Counter Fraud) and delegates have been provided where necessary	

Governor Observer - During the financial year this committee did not have a Governor observer

Quality Assurance Committee

The committee met monthly with the exception of December 2022 and has remained quorate, however, to enable this the Executive Director of People joined the June 2022 meeting to support quoracy. She was not present for one item which required approval which was agreed via e-governance outside of the meeting at the direction of the Chair and in agreement with the Director of Corporate Governance.

Members - three NEDs, Executive Director of Nursing Professions and Operations, Medical Director and Director of Quality - Quoracy two NEDs one Exec	
Heather Smith - Non-Executive Director and Chair of the committee	11/11
Olayinka Monisola Fadahunsi-Oluwole - Non-Executive Director	10/11
Richard Mills - Non-Executive Director - member of the committee until September 2022	4/6 (delegate sent)
Anne Dray - Non-Executive Director	6/6
Prof. Brendan Stone - Associate Non-Executive Director <i>*attendance in the latter part of the year was impacted by illness</i>	7/11
Beverley Murphy - Executive Director of Nursing, Professions and Operations	5/8 (delegates sent)
Dr Mike Hunter - Executive Medical Director	8/11 (delegates sent)
Salli Midgley - Director of Quality and in Interim Director of Nursing and Professions from January 2023	11/11
Caroline Parry - Executive Director of People	1/1 attended for part of the June 2022 meeting to support quoracy
Regular attendees as required by the terms of reference	
Neil Robertson, Interim Director of Operations and Transformation and in Interim Executive role from January 2023	9/11
One representative each from the Clinical leadership teams	See note below
Director of Quality	10/11

Lived Experience Member	5/5
<p>Other attendees - a range of additional attendees including the Director of Corporate Governance (Board Secretary) and representation from Clinical Leadership Teams (in rotation)</p> <p>Governor Observer – Chris Digman, Governor observer, observed two meetings in the financial year</p>	

Finance and Performance Committee (FPC)

The committee met monthly throughout the financial year. There were also three extraordinary meetings held due to business need.

Members - three NEDs, Executive Director of Finance, Executive Director of Nursing Professions and Operations, Director of Strategy - quoracy two NEDs one Exec	
Richard Mills - Committee Chair and Non-Executive Director/Deputy Chair until 28 February 2023 (handed over chair role of FPC to Owen McClellan in October 2022)	11/11 Extraordinary 2/3
Owen McLellan - Non-Executive Director - Chair of FPC from October 2022	9/9 Extraordinary 2/2
Anne Dray - Non-Executive Director	11/12 Extraordinary 2/3
Dr. Olayinka Monisola Fadahunsi-Oluwole - Non-Executive Director	4/5 Extraordinary 0/1
Phillip Easthope - Executive Director of Finance	10/12 Extraordinary 3/3
Beverley Murphy - Executive director of Nursing, Professions and Operations - attending until January 2023 (delegate sent)	3/9 Extraordinary 1/1
Pat Keeling - Director of Strategy	12/12 Extraordinary 3/3
Neil Robertson – Interim Director of Operations and Transformation and then attending in Executive role from January 2023	10/12 Extraordinary 1/3
Regular attendees as required by the terms of reference	

Matt White - Interim Deputy Director of Finance	5/5 Extraordinary 1/1
James Sabin - Deputy Director of Finance	6/9 Extraordinary 0/2 (Jury service)
Susan Rudd - Interim Director of Corporate Governance (Board Secretary) attendee until April 2022	1/1 Extraordinary n/a
Deborah Lawrenson - Director of Corporate Governance (Board Secretary) from April 2022	9/12 Extraordinary 3/3
Other attendees - A range of additional subject matter leads have attended as required	
Council of Governors observer - Ben Duke 10/12	

People Committee (PC)

The committee met bi-monthly throughout the financial year.

Members - three NEDS, Executive Director of People, Executive Director of Nursing Professions and Operations - quoracy two NEDs one Exec	
Heather Smith - Committee Chair and Non-Executive Director	6/6
Richard Mills Non-Executive Director and Deputy Chair (member of the committee until 28 February 2023)	5/5
Owen McLellan - Non-Executive Director (member of the committee from September 2022)	4/4
Olayinka Monisola Fadahunsi-Oluwole - Non-Executive Director	1/4
Anne Dray - Non-Executive Director	2/2
Caroline Parry - Executive Director of People	6/6
Beverley Murphy - Executive director of Nursing, Professions and Operations (member of the committee until January 2023)	1/4
Neil Robertson (member of the committee until January 2023) - Interim Director of Operations and Transformation	5/5
Salli Midgley (member of the committee from January 2023) Executive Director of Nursing and Professions	0/2

Regular attendees as required by the terms of reference	
Sarah Bawden - Deputy Director of People	6/6
Charlotte Turnbull - Head of Leadership and Organisation Development	6/6
Liz Johnson - Head of Equality and Inclusion	4/6
Karen Dickinson - Head of Workforce Development and Training	4/6
<p>Other attendees - A range of additional attendees including the Director of Corporate Governance (Board Secretary) and others have attended as required</p> <p>Council of Governors observer Catherine Draper (1/3) received papers for the meetings she was unable to attend</p>	

Mental Health Legislation Committee (MHLIC)

The committee met quarterly through the financial year.

Members - three NEDs, Medical Director, Director of Corporate Governance and Director of Quality - quoracy three NEDs one Exec	
Dr. Olayinka Monisola Fadahunsi-Oluwole - Chair (Non-Executive Director)	4/4
Richard Mills - Non-Executive Director	2/2
Heather Smith - Non-Executive Director	2/2
Anne Dray - Non-Executive Director (from January 2023)	1/1
Dr Mike Hunter - Executive Medical Director	4/4
Salli Midgley - Interim Director of Nursing and Professions (attending in role as Director of Quality)	2/4 (delegates sent)
Deborah Lawrenson - Director of Corporate Governance	4/4
Prof. Brendan Stone - Associate Non-Executive Director <i>*attendance in the latter part of the year was impacted by illness</i>	1/3
Regular attendees as required by the terms of reference	
Neil Robertson - Interim Director of Operations and Transformation (Executive team)	0/4
Dr Jonathan Mitchell - Clinical Director - Rehabilitation and Specialist Services	4/4
Dr Robert Verity - Clinical Director - Community and Acute Services	2/4
Hassan Mahmood - Clinical Director - Learning Disability Services	0/4
Lead Social Worker - not in post during the financial year	0/4
Jamie Middleton - Head of Mental Health Legislation	3/4
Simon Barnitt Head of Nursing	2/4

Lorena Cain - Nurse Consultant for Restrictive Practice	3/4
Hester Litten - Safeguarding lead	1/4
Adam Butcher - Service User	3/3
Governor observer	Adam Butcher 1/1 Cecilia Jackson-Chambers 1/1
Other attendees - A range of additional attendees have joined the meetings as required.	

Board Remuneration and Nomination Committee

The committee met 11 times during the financial year.

Members - Chair, Non-Executive Director and Associate Non-Executive Director - quoracy - 3 NEDs	
Sharon Mays - Chair	11/11
Richard Mills - Non-Executive Director and Deputy Chair member of the committee until 28 February 2023	8/9
Anne Dray - Non-Executive Director and Senior Independent Director	11/11
Dr. Olayinka Monisola Fadahunsi-Oluwole - Non-Executive Director	10/11
Heather Smith - Non-Executive Director	7/11
Owen McLellan - Non-Executive Director	6/10
Prof. Brendan Stone - Associate Non-Executive Director <i>*attendance in the latter part of the year was impacted by illness</i>	6/11
Mark Dundon - Non-Executive Director member of the committee from 1 March 2023	0/2
Regular attendees - The Executive Director of People, the Deputy Director of People and the Director of Corporate Governance attend as required in an advisory capacity. The Chief Executive has attended as required.	
Other attendees - Other specialist advisors have attended where required	
Council of Governors observer - Not applicable	

Board of Directors

The Board of Directors met in public and privately six times during the financial year and all meetings were quorate. Workshop and development sessions were held in the interim months. There was an additional development session held in March 2023.

Members - All members of the Board of Directors			
Quoracy - at least one-third of the whole number of the Chair and Directors appointed, (including at least one Non- Executive Director and one Executive Director) are present.			
Board members - voting	Public/Confidential Board meetings	Workshop/Development sessions	Extra ordinary (one workshop one confidential and one public)
Sharon Mays - Chair	6/6	6/6	3/3
Richard Mills - Non-Executive Director and Deputy Chair (until 28 February 2022)	5/5	5/6	1/1
Heather Smith - Non-Executive Director	6/6	4/6	2/2
Olayinka Monisola Fadahunsi-Oluwole - Non-Executive Director	6/6	6/6	2/2
Anne Dray - Non-Executive Director	6/6	6/6	2/2
Mark Dundon - Non-Executive Director (from 1 March 2023)	1/1	0/0	0/1

Owen McLellan - Non-Executive Director	4/5	4/4	0/1
Jan Ditheridge - Chief Executive	5/6	5/6 5/7 (as representing the Trust elsewhere)	2/3
Beverley Murphy - Executive Director of Nursing, Professions and Operations - Deputy Chief Executive until February 2023	4/4	3/5	1/1
Dr Mike Hunter - Executive Medical Director - Deputy Chief Executive from February 2023	6/6	6/6	3/3
Phillip Easthope - Executive Director of Finance	6/6	6/6	3/3
Caroline Parry - Executive Director of People	6/6	6/6	2/3
Salli Midgley - Interim Executive Director of Nursing and Professions from January 2023	2/2	1/1	2/2
Non-Voting directors			
Deborah Lawrenson - Director of Corporate Governance (Board Secretary)	6/6	6/6	2/3

Pat Keeling - Director of Strategy	6/6	6/6	3/3
Neil Robertson - Interim Director of Operations and Transformation from January 2023	2/2	1/1	1/1
Prof. Brendan Stone - Associate Non-Executive Director <i>*attendance in the latter part of the year was impacted by illness</i>	4/6	3/6	1/2
<p>Other attendees - Other subject matter leads have attended where required as well as external colleagues and advisors</p> <p>Council of Governors observer - There is no specific Council of Governors Observer however there is an open invitation to attend</p>			

The Chair attends all Board Committees for observation once a year, over the last year she attended:

Mental Health Legislation Committee	7 December 2022
People Committee	10 January 2023
Quality Assurance Committee	11 January 2023
Finance and Performance Committee	12 January 2023
Audit and Risk Committee	18 April 2023 (new financial year)

3.1.10 The Management Team

The Board of Directors delegates the day-to-day management of the operational activities of the Trust to directors who oversee directorates, services and teams across the organisation.

In response to the COVID-19 pandemic, industrial action and winter planning requirements a Gold, Silver and Bronze Command structure was established and used as required during the financial year to provide oversight and escalation routes for decision making.

This structure allowed practical decisions to be made at ground level (Bronze) through to executive level (Gold) to quickly enable the Trust to react to the ever-changing situation.

3.1.11 Board Committees

The Board of Directors 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 Performance Committee is responsible for ensuring that the Trust's finances are managed within the allocated resources to deliver an effective and efficient service.

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

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

The Audit and Risk Committee and the Remuneration and Nomination Committee are described as follows.

3.1.11.1 Audit and Risk Committee

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

The 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 annual reports from each of the other Board Committees; these reports in turn inform the annual report of the Audit and Risk

Committee. The annual reports are received at the Board of Directors after the end of each financial year.

This allows the Audit and Risk Committee 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.

Meetings are attended, in accordance with the agenda, by the internal and external auditors, local counter fraud specialist, and members of the Trust Executive Management as required. The Chief Executive attends the meeting at which the annual accounts are presented.

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

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

Detail on attendance at meetings during 2022/23 is provided in section 3.1.9.

3.1.11.1.1 Significant issues considered by the committee

The Audit and Risk Committee has an annual review cycle in place in relation to reviewing and considering effectiveness and on-going compliance. Significant activity considered by the committee during 2022/23 included:

- External Audit reports including audit plan, draft and final Value for Money, ISA 260, auditors annual report and management letter
- External audit action tracker
- Internal audit reports including audit plan, progress reports, internal audit reports, draft and final Head of Internal Audit opinion
- Internal audit action tracker
- Counter fraud work plan, progress report and annual report
- Draft and final annual governance statement, annual report and accounts
- Reports on losses and special payments; material estimates and going concern
- Provider Licence compliance and self-certification reports
- Receipt of registers for declarations of interests, hospitality, sponsorship and gifts

- External risk review outcome and updates on progress with actions
- Update on governance arrangements for monitoring key action plans and third-party assurance reports
- Freedom to Speak Up Annual report and update on development of new vision and strategy
- Annual work plan and declaration of compliance on emergency preparedness, resilience and response
- Reports on attendance at board committees
- Report on reviews of effectiveness for the tier II groups reporting into board committees
- Data and Information Governance Annual report including Senior Information Risk Owner (SIRO) and Caldicott Guardian
- Annual report on claims and litigation
- Discussion on external audit tender to take place in 2023/24
- Single tender waivers process and assurance reports
- Revised Standing Orders, Standing Financial Instructions (SFI) and Scheme of Delegation
- SFI breaches report
- Annual report on policy governance and regular reports on policies overseen by the committee
- Accounting policies and financial reporting manual
- Board Assurance Framework and Corporate Risk Register
- Annual committee review of effectiveness and progress against committee objectives
- Annual report from the Committee to the board

3.1.11.1.2 External Audit

For the financial year ending 2022/23, the Trust's external audit function was carried out by KPMG.

The statutory fee for the 2022/23 audit was £116,500 including VAT.

The effectiveness of the external audit function is assessed annually by the members of the Audit and Risk Committee utilising the methodology provided for such an evaluation by the Audit Committee Institute. For 2022/23 this was carried out as part of a self-assessment questionnaire of members.

KPMG has carried out no other services for the Trust during the financial year 2022/23.

3.1.11.1.3 Internal Audit

The Trust's internal audit function for 2022/23 was carried out 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 and Risk 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 infection prevention and control, complaints, grievance and disciplinaries, estates health technical memoranda, cost improvement programme, data security standards and financial management.

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

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

3.1.11.2 Board of Directors Remuneration and Nomination Committee

The Remuneration and Nomination Committee of the Board of Directors comprises all the Non-Executive Directors. The committee is chaired by Sharon Mays, 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.

3.1.12 Executive and Non-Executive Directors' qualifications and experience

- **Sharon Mays, Chair**

Sharon joined the Trust as Chair on 1 October 2021. Prior to her appointment Sharon had been Chair at Humber Teaching NHS Foundation Trust for seven years and has been a non-executive director on the boards of NHS organisations since 2006.

During her tenure as Chair of Humber Teaching NHS Foundation Trust, the organisation improved its overall Care Quality Commission (CQC) rating from 'requires improvement' to 'good', gained national recognition for its work on patient and carer experience, and in 2019 won the Health Service Journal Mental Health Provider of the Year award.

Sharon has previously been a member of the joint independent audit and integrated governance committee for the Police and Crime Commissioner for Humberside and Humberside Police Force. Prior to becoming Chair at Humber Teaching NHS

Foundation Trust, she was also the Independent Person for standards investigations at East Riding of Yorkshire Council.

Sharon is a commercial lawyer by profession.

During the financial year Sharon has chaired the Board of Directors, Council of Governors, board Remuneration and Nomination Committee and the Governor Nomination and Remuneration committee.

Tenure of Office

1 October 2021 to 31 March 2023 - extended by the Council of Governors for a further 2 ½ years from 31 March 2023 to 30 September 2025.

- **Richard Mills, Non-Executive Director**
(Deputy Chair until 28 February 2023)

Richard has more than 40 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 1978-2012, working in London and Thames Valley area at Hospital, Health Authority and Primary Care Trust levels. He was the Chief Executive of the Intensive Care National Audit and Research Centre (ICNARC) 2014-2015 and was a management consultant from 2012 to 2019.

During the financial year Richard served as Chair of the Finance and Performance Committee until October 2022 and has served as a member on the following Board Committees:

- Remuneration and Nomination
- People
- Audit and Risk and
- Quality Assurance

Richard has also attended Council of Governors meetings and attended the Governors Nomination and Remuneration Committee in his role as Deputy Chair when required.

Tenure of office

1 December 2015 to 30 November 2018, extended to July 2019. Second term of office commenced on 1 August 2019 and was due to end on 30 November 2023. During the financial year Richard confirmed his intention to retire and he stepped down from the role at the end of February 2023.

- **Anne Dray, Non-Executive Director**

Anne is a graduate of the University of Sheffield and is a member of the Chartered Institute of Public Finance and Accountancy. She undertook her professional

accountancy training at Trent Polytechnic in Nottingham. She has worked in the NHS for over 40 years and has been a Board level director for most of the past 30 years.

Anne has worked across different health systems in both provider and commissioning organisations and at local and regional level. She has held a wide range of positions including Director of Finance and Information, Director of Performance, System Quality, Innovation, Productivity and Prevention and Transformation Director, Director of Development, Programme Director, Transition Programme Director and Chief Executive. She is also a Non-Executive Director at Nottingham City Care Partnership.

During the financial year Anne has served as Chair of the Audit and Risk Committee and as a member of the following board committees:

- Finance and Performance
- Remuneration and Nomination
- People and
- Quality Assurance

Anne has attended Council of Governors meetings, and the Governors Nominations and Remuneration Committee in her role as Senior Independent Director when required.

Tenure of office

1 November 2020 to 31 October 2024.

- **Heather Smith, Non-Executive Director**

Heather joined the Trust on 1 August 2019. Her previous job was Principal of Sheffield College and she worked in education in Sheffield, where she lives, for over 33 years until her retirement.

Since retirement Heather has undertaken advisory and coaching support work with colleges around the country, as well as working on a voluntary basis with a local organisation which is focussed on reducing food waste and promoting sustainability. Heather's work in education has many links with the goals of the Trust. One of her early management roles was the introduction of pathways to employment and 35 apprenticeships with the NHS in Sheffield, a project which gained several national awards and still exists today. She is a passionate supporter of the need for city-wide organisations to work together collaboratively in order to improve lives and promote social justice and equality.

Heather's interest and expertise lies in organisational development and transition, culture change and improvement management.

During the financial year Heather has served as the Chair of the Quality and Assurance Committee and the People committee and has also served as a member of the following Board Committees:

- Audit and Risk

- Remuneration and Nomination and
- Mental Health Legislation Committees

Heather has also attended Council of Governors meetings. From March 2023 she took on the role of NED lead for Freedom to Speak Up and was approved as Deputy Chair by the Council of Governors in April 2023.

Tenure of office

1 August 2019 to 31 July 2023 - re-appointed for a further 3 years in April 2023 by the Council of Governors effective from August 2023 - 31 July 2026.

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

Yinka has lived in Sheffield since 2017, working at Sheffield Children's Foundation NHS Trust as a Specialty Doctor in Community Paediatrics and Neurodisability. Her other roles include Clinical Audit Lead for Community Paediatrics, Neurodisability and Looked After and Adoptive Children's Health services, member of the Rapid Review of Guidelines team, a sub-committee of the Clinical Audit and Effectiveness Committee. She is a medical appraiser, the Staff Governor for the doctors and dentists, and a member of the Race Equality Network at the Sheffield Children's Foundation NHS Trust.

Yinka is a trustee of the Steel City Choristers. Yinka is also a member of the Parochial Church Council at Christ Church Dore and part of the service leading team.

Yinka firmly believes diversity of race, religion, sex, gender, sexual orientation, and culture should be celebrated and respected with equal opportunities for all.

During the financial year Yinka has served as Chair of the Mental Health Legislation committee and as a member of the following Board Committees:

- Quality Assurance
- People
- Remuneration and Nomination and
- Finance and Performance

She has attended Council of Governors meetings, Staff network groups and other forums when able.

Tenure of office

1 June 2021 to 31 May 2024.

- **Owen McLellan Non-Executive Director**

Owen has a wide-ranging background in senior finance roles in the commercial sector, and previously worked at PricewaterhouseCoopers LLP and until very

recently worked at Wm Morrison Supermarkets PLC, as Finance Director. Owen is currently Managing Director for The Company Shop Group based at Tankersley.

Owen is a qualified accountant and corporate treasurer.

During the financial year Owen has served as chair of the Finance and Performance committee and as a member of the following Board Committees:

Audit and Risk committee

People committee

Remuneration and Nomination committee

He has attended Council of Governor meetings.

Tenure of office

1 July 2022 - 30 June 2025

- **Mark Dundon, Non-Executive Director**

Mark Dundon has extensive experience at board level as an executive in Technology, Financial Services, Telecoms, Utilities and Transport and has held various Chief Information Officer roles.

He joined the board in March 2023.

During the financial year Mark has attended Board and Board committees and is a member of the following Board Committees:

- People
- Mental Health Legislation
- Remuneration and Nomination and
- Finance and Performance

Tenure of office

1 March 2023 - 28 February 2026.

- **Professor Brendan Stone (Associate Non-Executive Director) Non-Voting (from March 2019) 9 March 2023 - 28 February 2025.**

Brendan Stone is Professor of Social Engagement and the Humanities at the University of Sheffield. He is the Board's 'Champion' for service-user voice and engagement.

Brendan has been very involved in leading work on the engagement of service users in developing policy and strategy. At a national level, he co-chaired the NHS England Strategic Oversight Group for the programme on the Use of Restrictive Interventions

in NHS Commissioned Health Care. He is a Director of Sheffield Flourish, a mental health charity which frequently works with Universities and the NHS. Brendan has lived with serious mental illness throughout his adult life. He has experience of being hospitalised for mental illness, and in his earlier life spent periods homeless and as a rough sleeper.

This non-voting associate non-executive role was put in place, as a Board of Directors appointment in 2018 to meet a requirement for membership of the Association of University Hospitals that SHSC had a university nominated non-executive on the Board of Directors. Brendan joined the Board of Directors as a nominee from the University of Sheffield and brings a wealth of experience and a specific focus to the board on Lived Experience.

He joined the board in March 2019 for a three year term and was re-appointed by the Board of Directors in March 2023 for a further two years.

During the financial year Brendan has attended board and board sub meetings and is a member of the following Board Committees:

- Mental Health Legislation
- Quality Assurance
- Remuneration and Nomination

Tenure of office

9 March 2023 - 28 February 2025.

- **Jan Ditheridge, Chief Executive**

Jan joined the Trust as its Chief Executive on 2 March 2020 following seven years as Chief Executive of Shropshire Community Health NHS Trust. She is an experienced strategic leader with a background encompassing a broad variety of clinical, operational and leadership roles across health, social care and the private sector.

She has a wealth of expertise in the areas of transformation, delivery, clinical quality and effective performance management. Jan is dual qualified as a Registered General and Mental Health Nurse and has an MBA.

Jan undertook Retire and Return in 2022/23, effective from September 2022 and remained in post at the end of the financial year. She is expected to formally step away from her role at the end of June 2023.

- **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 20 years of experience in NHS finance.

He is also the Executive Director for Digital and Performance and Executive lead for Sustainability and the Green Plan: key priority areas for the Trust as we look to implement a new patient record system and embed sustainability in everything we do.

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

- **Dr Mike Hunter, Executive Medical Director**

Mike was appointed as the Trust's Executive Medical Director in October 2016. He became Interim Deputy Chief Executive in January 2023. He has been a Consultant Psychiatrist for many years and was previously Clinical Director of Acute and Inpatient Services and Community Services at SHSC. His responsibilities include quality improvement, research and innovation, clinical effectiveness, medicines management, medical leadership and undergraduate and postgraduate medical education.

He is the Caldicott Guardian and had related responsibilities for data protection and information governance. He also has a role as a National Speciality Advisor at NHS England.

- **Beverley Murphy, Executive Director of Nursing, Professions and Operations and Deputy Chief Executive (until 9 February 2023)**

Beverley joined us on secondment as Improvement Director in June 2020 from South London and Maudsley NHS Foundation Trust where she had been Director of Nursing and then Chief Operating Officer.

Beverley was appointed to the substantive role of Executive Director of Nursing, Professions and Operations and Deputy Chief Executive on 1 April 2021.

Beverley has worked as a Mental Health Nurse for over 38 years and has held a range of senior nursing and quality governance roles across the NHS. This was Beverley's fourth executive position in the NHS.

Beverley's responsibilities included nurse and professions leadership, clinical quality governance, clinical standards and the delivery of care services.

- **Caroline Parry, Executive Director of People**

Caroline was appointed as Executive Director of People in January 2021 and brings with her previous experience as a HR professional from the civil service, higher education, the third sector and a number of NHS Trusts. Caroline is a Chartered Fellow of the Chartered Institute of Personnel and Development, and has a master's degree in HR management. Caroline was previously our Deputy Director of Human Resources, a role she started in 2016.

Caroline's role is to implement our People Strategy, which aims to support the delivery of our organisational aims and our Clinical and Social Care Strategy. She also has responsibility for organisational development, leadership development, recruitment and retention, workforce information and planning, equality, diversity and inclusion, and staff wellbeing and engagement.

- **Salli Midgley Interim Executive Director of Nursing and Professions (from January 2023)**

RMN, RGN, Msc

Salli assumed the interim role of Executive Director of Nursing and Professions in January 2023, having previously joined the organisation in December 2020 as the Director of Quality. Salli has worked as a registered nurse for over 30 years working in a range of mental health services across Yorkshire and the Humber.

Predominantly her clinical practice was focussed on inpatient services with adults and older adults. Latterly Salli led work nationally on reducing restrictive interventions with NHS England, as well as leading national quality improvement projects in Child and Adolescent Mental Health services and Learning Disability and Autism services. She has delivered focussed projects related to human rights, patient experience and seclusion.

Salli is a trustee for the Restraint Reduction Network and a member of the National HOPES programme to reduce segregation across England. Salli also co-hosts the national positive and safe working group for mental health providers in England. Salli's responsibilities include Safeguarding, Infection Prevention and Control, Use of Force, Delivery of the Quality Strategy, Engagement Strategy and Carer Strategy as well as Nursing leadership.

Non-Voting

- **Neil Robertson (Interim Executive Director of Operations and Transformation - from January 2023)**

RGN RMN MPA

Neil is a nurse by background and has held several senior positions to include head of nursing and quality, operational director of different service portfolios and transformation and partnership leadership roles.

Neil spent most of his career working in South East London before joining Team SHSC in April 2021. Since joining SHSC Neil has been focusing on service delivery and transformation.

- **Pat Keeling, Director of Strategy**
MSc, MA, BSc, Dip PT

Pat was appointed to the role of Director of Strategy on a permanent basis in January 2022. Prior to this Pat had been working with the Trust since December 2020 as Director of Special Projects, leading the development of our Strategic Direction, Estates Strategy, our broader strategy development, annual planning and strategic transformation programme.

She has previously held senior roles within the NHS including at Surrey and Borders Partnership NHS Foundation Trust, Brighton University Hospital NHS Trust and the Royal Cornwall Hospitals NHS Trust.

- **Deborah Lawrenson, Director of Corporate Governance and Board Secretary (from April 2022)**

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

- **Susan Rudd, Interim Director of Corporate Governance (Board Secretary) between November 2021 and April 2022.**

3.1.13 Changes to the Board during the financial year

During 2022/23 the following changes were made to the board:

Non-Executive

- Sharon Mays, Chair was re-appointed during the financial year to September 2025
- Richard Mills, Non-Executive Director and Deputy Chair stepped down in February 2023 having announced his intention to retire in 2022/23
- Owen McLellan was appointed as Non-Executive Director in July 2022
- Mark Dundon was appointed as a Non-Executive Director in March 2023
- Brendan Stone, Associate Non-Executive Director was re-appointed by the Board for a further two years with effect from March 2023

Executive

- Jan Ditheridge, Chief Executive undertook Retire and Return during the financial year and will be leaving the Trust at the end of June 2023
- Beverley Murphy, Executive Director of Nursing, Professions and Operations left the Trust in February 2023 and from January 2023 her role was covered by:
 - Salli Midgley as Interim Executive Director of Nursing and Professions as a voting director and
 - Neil Robertson as Interim Executive Director of Operations (and Transformation) as a non-voting director
- Susan Rudd, the Interim Director of Corporate Governance and Trust Secretary left the Trust in May 2022
- Deborah Lawrenson joined as substantive Director of Corporate Governance and Trust Secretary with effect from April 2022

3.1.14 Directors' interests

Members of the Board 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.

An annual review of the Board of Directors register takes place alongside the annual review of the Fit and Proper person regulation assessment. This is in addition to any changes to Director's interest declared at the next routine meeting following the change to their interests. The Board of Directors has a standing agenda item which requires Executive and Non-Executive Directors to declare any interest in relation to agenda items and any changes to their declared interests.

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

3.1.15 Board evaluation

The Board of Directors assesses its own performance and effectiveness, ensuring that it complies fully with its statutory and regulatory functions and duties. The Board and all its sub committees undertook an annual review of effectiveness for 2022/2023.

A Board development programme is in place focussing on the CQC's 'Well-Led' responsibilities, with specific sessions also held for a wide number of areas including:

- Patient Carer Race Equalities Framework (PCREF)

- Inequalities frameworks
- Safeguarding
- Health and Safety
- System working new arrangements
- Risk Review, Board Assurance Framework development and Risk Appetite
- Well-led Board self-assessment
- Freedom to Speak Up board self-assessment and strategy development
- People strategy development
- Lived Experience
- Strategic Direction review and refresh
- Service transformation including urgent and emergency care pathway; learning disability; therapeutic environment
- Strategy development
- Carers and Young Carers strategy development
- Quality Improvement Framework development and plan
- Culture enabling 'a great place to work'
- Board Assurance Framework development and risk appetite
- Staff survey
- Restrictive practice, Use of Force and Human Rights
- Training - Equality and Diversity; PREVENT, Emergency Preparedness, Resilience and Response, Data and cyber security; Health and Safety and corporate manslaughter
- Planning for response to industrial action
- Performance Framework and Data Quality

The annual reviews for Non-Executive Directors for the period 1 April 2022 to 31 March 2023 have taken place during the financial year with reports received through the Governors Nomination and Remuneration Committee and reported to the Council of Governors.

The evaluation of the performance of the Chief Executive by the Chair, and the Executive Directors by the Chief Executive, have taken place during the financial year and reported to the Board Remuneration and Nomination Committee.

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

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

3.1.16 Keeping informed of the views of governors and members

The Board of Directors ensures it is kept informed of the views of Governors and members in a range of ways. The Trust encourages quality engagement with stakeholders and regularly consults with, and involves Governors, service users and carers. It also supports Governors in ensuring that they represent the interests of members and the public through seeking their views and keeping them informed. Some examples of the wide range of engagement opportunities with Governors are covered in other sections of the Annual Report and include:

- Council of Governors meetings
- Council Committees (Nomination and Remuneration committee)
- Regular drop-in sessions with the Trust Chair
- Development Workshops with Governors
- Governor observer of Board sub-committees
- Governor participation in key areas of work, co-production, strategy and service development including with Governor colleagues across the system around the new duties placed upon them through the Health and Social Care Act and associated requirements
- Opportunity to attend public Board of Directors meetings

Governor feedback and views are captured and shared with the Board as described above and are also reported through:

- The Trust Chair's Report to the Board
- Updates received from Governors at public Council of Governors meetings
- The Trusts' Annual Members meeting
- Receiving reports on the outcome of consultations with governors
- Updates provided by the Trust Chair and Non-Executive Directors at Board meetings

In addition, Governors are regularly invited to, and attend Trust events to gain a wider understanding of Trust services and provide appropriate feedback on wide ranging areas such as work around the Community Mental Health Transformation programme, Integrated Care Board Governor conferences, and the Carer Action group.

The Senior Independent Director and the Board Secretary are also available to Governors if they have concerns regarding any issues which have not been

addressed by the Trust Chair, Chief Executive or other usual business arrangements.

In general, regarding attendance at meetings of the Council of Governors:

- The Trust Chair attends all meetings
- The Non-Executive Directors attend all meetings
- Other Executive Directors and Trust staff attend meetings, if required, for example to deliver reports, or as observers

The Council of Governors also has powers to require attendance of a director at any of its meetings, under paragraph 26 (2) (aa) of Schedule 7 of the National Health Service Act 2006, for the purpose of obtaining information on the Foundation Trust’s performance of its functions or the directors’ performance of their duties. The Council of Governors did not exercise these powers during 2022/23.

3.1.17 NHS Well-Led Framework

NHS England’s (NHSE) well-led framework is structured around eight characteristics of a well-led organisation shown below.

During the year the Board of Directors undertook a comprehensive review of its effectiveness against the Well-Led domains, which included external support and scrutiny provided by NHSE - with the outcome positively received at the Board of Directors and at the regional quality board. Actions have been identified to support ongoing continuous improvement and local Well-Led reviews are taking place across the organisation and are reported through the regular performance review process.

<p>1</p> <p>Is there the leadership capacity and capability to deliver high quality, sustainable care?</p>	<p>2</p> <p>Is there a clear vision and credible strategy to deliver high quality, sustainable care to people, and robust plans to deliver?</p>	<p>3</p> <p>Is there a culture of high quality, sustainable care?</p>
<p>4</p> <p>Are there clear responsibilities, roles and systems of accountability to support good governance and management?</p>	<p>Are services well led?</p>	<p>5</p> <p>Are there clear and effective processes for managing risks, issues and performance?</p>
<p>6</p> <p>Is appropriate and accurate information being effectively processed, challenged and acted on?</p>	<p>7</p> <p>Are the people who use services, the public, staff and external partners engaged and involved to support high quality sustainable services?</p>	<p>8</p> <p>Are there robust systems and processes for learning, continuous improvement and innovation?</p>

3.1.18 Leadership capacity and capability

Our investment in leadership capacity and capability has moved at pace. We have focused over the last period on enabling growth of our workforce and services through people leadership centred activity. Examples of work undertaken by SHSC in 2022 and continuing through 2023 include:

- In-house Leadership Development programme - 'Team SHSC: Developing as Leaders'; our first course completed, second underway, with a third and fourth in plan for 2023/24. This course aims to develop compassionate and inclusive leaders who enable delivery of SHSC strategic aims, strategic priorities and values. It supports the delivery of the Clinical and Social Care strategy through leadership, which is person-centred, trauma informed and inclusive, based on an improvement mindset
- Team SHSC Manager - further developing our offer in providing a range of Human Resources and People policies support
- Promoting and increasing staff participation in external development offers such as Leading Sheffield, Mary Seacole - NHS Leadership Academy and leadership apprenticeships, Just and Learning Culture programmes, and the Integrated Care Board Compassionate and Inclusive programme
- Agile Mindset and Behaviours leadership development programme with 31 senior leaders in attendance in 2022. This programme focusses on developing agile mindsets which enable effecting change and developing and running high quality suitable care systems. We have a fourth cohort planned for 2023
- Sharing objectives that accelerate co-production of person and patient care initiatives that realise efficiencies in how we work, reducing waste in systems and processes, aimed at improving the wellbeing of service users and staff

Clear governance structures are in place across SHSC, and through this continued assurance we look to build on the quality and safety of operational clinical services, staff engagement, and wellbeing.

3.1.19 Clear vision and credible strategy to deliver high quality, sustainable care

Our vision is to improve the mental, physical and social wellbeing of the people in our communities.

This is delivered by our Clinical and Social Care Strategy implementation programme, which sits at the heart of our delivery plan, supported by clear and aligned enabling strategies.



We will give care that is

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

We will work with

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

What are we going to do?

- ▶ Develop Care Models that promote recovery

How will we do it?

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

Our development plans focus on:

- **Understanding what matters to people:** Improving the experience, safety, and quality of care for service users, carers and families through understanding what matters to people and co-producing systems and models of care.
- **Knowing we make a difference:** Seeking to help people to live well and reducing the inequalities associated with mental health problems and learning disability through early intervention, prevention and transformation of mental health care to be closer to communities and capturing impact and outcomes. We will develop systems and clinical practice where outcome measures are routinely used with service users to know if services are effective.
- **Creating environments for excellence:** Promoting the development of therapeutic teams through a well-trained workforce, working within healing environments. To create therapeutic environments for excellence that support care, are safe, compassionate, enable best practice and provide the best for service users. These will be environments where people feel valued and listened to, and staff enjoy coming to work because they are supported to learn and develop together.
- **Transforming care in Sheffield:** Building further and faster the partnerships and transformation with other organisations to become a more integrated health and social care system with improved outcomes, including a Zero Suicide ambition.
- **Leading the system for outstanding care:** Developing system quality networks for Mental Health, Learning Disabilities and Autism (MHLDA) and building an equitable system in South Yorkshire

3.1.20 Culture of high quality, sustainable care

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

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

In 2022/23 we agreed a number of new strategies to enable our Clinical and Social Care Strategy to be delivered. The Quality Strategy has five key priorities which aligns to our strategic aims:

- To develop a culture of continuous improvement as an integral part of all that we do, ensuring a just and learning culture
- Embedding coproduction and lived experience methodology in service developments and redesigns to provide responsive, accessible services
- Implement an evidence-based quality framework to coordinate and embed quality improvement, control and planning across SHSC
- Develop a quality assurance framework to assure and control evidence-based care, benchmarking nationally as good quality
- Ensure sustainable high quality outcomes for the service users of today without compromising those of tomorrow.

3.1.21 Clear responsibilities, roles and systems to support good governance and management

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

- The Constitution including the Schedule of Matters Reserved by the Board
- Standing Orders, Reservation and Delegation of Powers, incorporated in the Scheme of Delegation and Standing Financial Instructions - reviewed in 2022/23
- The Scheme of Delegation of functions included in the Mental Health Act code of practice - reviewed in 2022/23
- The terms of reference for Board committees and operational committees – reviewed annually
- Our programme and project management arrangements

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

- The Insight clinical record system
- The Ulysses Risk Management System which enables us to manage and report incidents, record risks and supports our serious incident processes

- The e-rostering system which supports safe staffing in our services
- The patient acuity tool which supports staffing numbers and skill mix to maintain effective care and safe staffing
- Our finance system (Integra)

3.1.22 Clear process to manage risk, issues and performance

The key systems and processes in place for managing risks, issues and performance are aligned to our governance structure: the Board of Directors, its Committees, the Executive Team and clinical management groups, wards and teams.

SHSC commissioned an external risk review from NHSE in March 2022 which reported in year and provided generally positive feedback on historic processes with recommendations for ongoing improvement captured and monitored through the Audit and Risk Committee. The Risk Management Strategy will be reviewed in 2023.

The Board Assurance Framework and implementation of the Risk Oversight Group received significant assurance in the Head of Internal Audit Opinion, however it should be noted that the Strategic Risk Management internal audit review was partially limited due to issues around risk training, risk escalation, risk appetite and analysis of the risk register.

3.1.23 Appropriate and accurate information being effectively processed, challenged and acted upon

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

The Data and Information Governance Group oversaw the Trust's statutory duties and assured quality in regard to data and information, with oversight of information governance under the remit of the Audit and Risk Committee.

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

There are a broad range of measures in place to enable us to effectively engage. Primarily these are:

- Council of Governors
- Engagement with our membership
- The work of our Engagement and Experience Team

- Formal consultations on service reconfigurations and change when required
- Care Opinion
- Quality of Experience questionnaire for inpatient services
- Friends and Family Test
- Carers Open Door Forum
- Service User Network Group
- Lived Experience and Co Production Assurance Group
- Work through and with Sheffield Flourish
- Partnerships through Patient and Care Race Equity Framework
- Engagement with Advocacy and Peer Led Groups
- Our involvement in the South Yorkshire and Bassetlaw Integrated Care System
- Our partnerships with commissioners
- Membership and participation in local partnership boards
- Membership and participation in local safeguarding boards
- Engagement with Healthwatch Sheffield
- Staff network groups
- Annual Members Meeting

3.1.25 Working with commissioners, partners and stakeholders

3.1.25.1 Our commissioners

As an NHS Foundation Trust, we provide a range of services, covering direct care services, training, teaching and support functions. The main commissioners of our clinical services are NHS South Yorkshire Integrated Care Board (with effect from 1 July 2022), NHS Sheffield Clinical Commissioning Group (until 30 June 2022), Sheffield City Council, South Yorkshire Provider Collaborative and NHS England. Housing associations commission our residential care services.

Our non-service user care services are commissioned by NHS South Yorkshire Integrated Care Board (with effect from 1 July 2022), NHS Sheffield Clinical Commissioning Group (until 30 June 2022), other NHS Foundation Trusts, NHS Trusts and Whole Government Accounts (WGA) organisations, along with other NHS Integrated Care Boards and NHS Clinical Commissioning Groups.

NHS England, NHS Integrated Care Boards and NHS Clinical Commissioning Groups commission education, training, research and development from us.

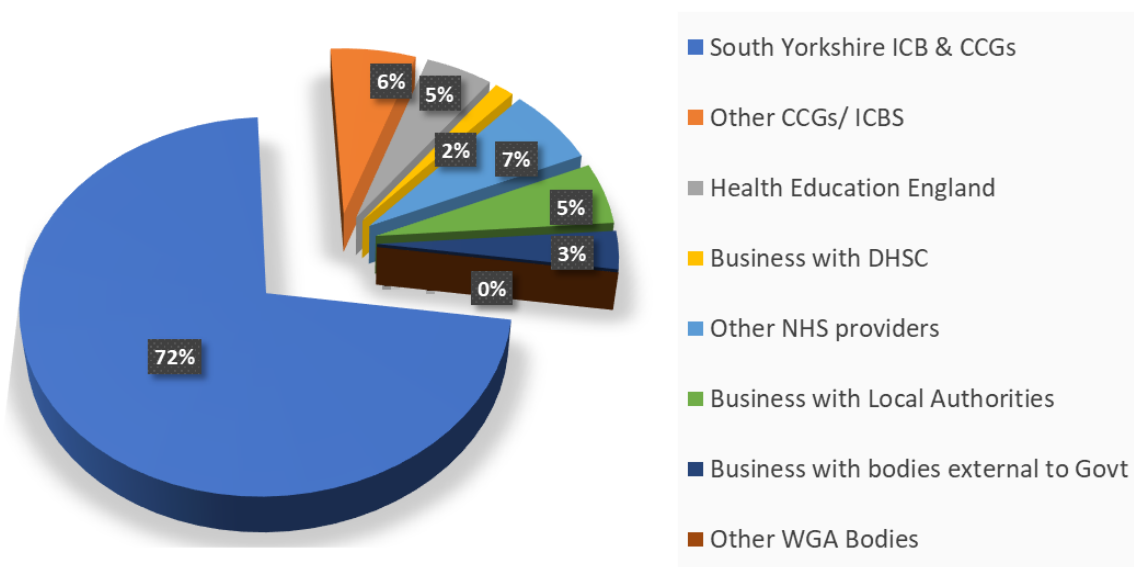
3.1.25.2 How we work with our partners

We work in partnership with organisations that commission our services, namely NHS South Yorkshire Integrated Care Board (ICB), 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 have a well-established governance structure across Sheffield and agree each year a single transformation programme for the city between the Trust and its main commissioners. During the financial year governance arrangements changed with the implementation of the Integrated Care System and associated arrangements and the development of the Mental Health, Learning Disability and Autism Collaborative (SHSC's Chief Executive was the Chief Executive Lead for the Collaborative during 2022/23).

We work in partnership with other health and social care organisations in Sheffield as we collaborate to provide the best services locally. There is a clear drive to change the way services are provided in Sheffield to deliver real improvements in community care and support for individuals' health and social care needs. We are a key member of the South Yorkshire and Bassetlaw ICB where organisations across our region work collaboratively to improve healthcare. We also work in partnership with a diverse group of interested parties across the public and third sector, voluntary and local community groups. This allows us to develop better relationships with other organisations who support people in Sheffield and fosters better collaborative working between us. We use these opportunities to promote the needs and interests of the people that we serve and to reduce some of the barriers individuals can often experience in accessing the services that they need.

3.1.26 Total income by commissioner

SHSC provides a range of services for a number of commissioners. This chart shows the proportion of income received in 2022/23 by type of commissioner.



3.1.27 Consultations

3.1.27.1 Formal consultations we have completed

In relation to our clinical services, we have undertaken formal consultations with staff including:

- Intermediate Care Services - Allied Healthcare Professional staff working in Sheffield Teaching Hospitals (STH) physical health team, who were employed by SHSC, transferred under the Transfer of Undertaking (Protection of Employment), following agreement that their role and the nature of their work would be best managed by STH.
- Individual Placement Support Service - SHSC were sub-contracted by South Yorkshire Housing Association (SYHA) to provide occupational therapy and vocational support to service users. The whole contract for this service was retendered in the summer of 2022 for South Yorkshire. SYHA were awarded the whole contract, which no longer stipulated an element of NHS provision. To this end Transfer of Undertaking (Protection of Employment) for the SHSC staff associated with the original contract was completed in September 2022.
- Sheffield City Social Care Contract - Due to the termination of SHSC's contract with Sheffield City Council to provide social care to working age service users and some delegated duties on behalf of the Council, a formal consultation was undertaken by the Council with their staff, seconded to SHSC as their employer. A small number of staff who work for SHSC, whose role directly relates to the council contract will be subject to Transfer of Undertaking (Protection of Employment) to the Council. Formal consultation has completed, and the changes took effect on 31 March 2023.

- Closure of Fulwood House and staff relocation - Consultation took place with staff as part of the closure of Fulwood House and the transfer of staff and services to new and existing SHSC premises. The majority of staff transferred to Centre Court and Distington House, two modern premises in Atlas, Sheffield with Centre Court becoming SHSC's headquarters.
- Acute Inpatient Occupational Therapy Service hours – Consultation has taken place with Occupational Therapists (OT) and OT Support Workers to implement a new rota in Acute inpatient services which will give service users access to therapy services at weekends and up to 8pm on specific evenings.
- Arts Therapy TUPE (Transfer of Undertakings protection of employment) - Six staff transferred to Sheffield Hallam University to continue delivery of the Arts Therapy course.
- Medical contracts - Transition to new contracts following national changes to the Associate Specialist contracts.
- Mandatory Vaccinations - As part of the COVID-19 response we consulted with staff over the (now revoked) legislation to make mandatory COVID-19 vaccinations for health care workers.
- Learning Disability Case Register - For many years, SHSC have administered a case register of children and adults which is used to support public health and social care initiative. Sheffield City Council commissioned SHSC to carry out this function and gave notice of the termination of the contract in December 2022. The service ceased on 31 March 2023.

3.1.27.2 Formal consultations we have in progress

At the time of confirming this report there were several formal consultations in progress.

In relation to our clinical services:

- Community Mental Health Team Transformation, our recovery services - Following a programme of transformation we have begun formal consultation with the staff working in these services to implement clinical pathways that will improve access, responsiveness and the treatment and care provided by these services. The changes will also reconfigure how the services are delivered. The changes will increase the overall staff numbers across these services.
- Buckwood View - since 2002, SHSC has been sub-contracted by Guinness Partnership to provide nursing and support staff to care for the people who are tenants of the housing association. In December 2022, Guinness Partnership's Board of Directors gave notice to Sheffield County Council (who commission the service) and SHSC (who provide the staff) about closing the service. The staff at Buckwood are being formally consulted about redeployment to a suitable alternative position.

- Substance Misuse Tender - On 20 October 2022, Sheffield County Council's Officer Decision Report formally announced the re-design and re-procurement of the Adult Substance Misuse Service. The SHSC contract will now terminate on 31st July 2023 and the new service is expected to commence on 1st August 2023. This change affects around 130 staff.
- Clinical Establishment Review - consultation has commenced to make changes to ways of working and job descriptions to deliver the new clinical establishments following a review which has been conducted in partnership with Nursing colleagues. The review changes the reliance on band 5 nurses and aims to improve clinical quality and safety on the wards.
- Refurbishment of Maple Ward - consultation is taking place with affected staff to facilitate the temporary relocation to allow improvements to be made to Maple Ward. This is a six-month project but impacts on a high number of staff who either work or provide in-reach services into Maple Ward.
- 12-hour shifts - An evaluation of the implementation of a trial of the use of 12-hour shifts on Maple Ward is underway and will be presented to Executive and Trade Union colleagues by the end of the financial year. The remaining wards in Acute and Older Adult are introducing rotas in the new year to try out this way of working following engagement with staff and on a voluntary basis.
- We are engaging with our Housekeeping staff to ensure that we have the right structure and support to deliver on the NHS cleaning and catering standards. We will engage with staff in to support the development of proposals about the future management of housekeeping, which will be formally consulted on in 2023/24.

3.1.28 Council of Governors

3.1.28.1 The role of the Council of Governors

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

Whilst 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
- Being consulted 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 any 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:

- Contributing to discussions on strategic issues
- 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 Trust and any other material and significant issues facing the organisation and participating in system governance change discussions on the role of governors
- Building and maintaining close relations between the 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.

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.

3.1.28.2 Composition of the Council of Governors

The composition of the Council of Governors comprises of 33 elected seats and 11 appointed seats from partner organisations. All Governors serve a three-year term and can hold this position for a total of three terms. Table one below sets out the composition of the Council of Governors as of 31 March 2023.

Table one

	Electing/Appointing Body	Governors in post	Vacancies	Total
1.	Public Constituency			9
	1.1. Sheffield North East	0	2	
	1.2. Sheffield North West	2	0	
	1.3. Sheffield South East	1	1	
	1.4. Sheffield South West	2	0	
	1.5. Outside Sheffield	1	0	
2.	Staff Constituency			8
	2.1. Nursing Staff Class	1	0	
	2.2. Social Worker Staff Class	0	1	
	2.3. Medical and Clinical Staff Class	0	1	
	2.4. Allied Health Professions Staff Class	1	0	
	2.5. Psychology Staff Class	0	1	
	2.6. Support Worker Class	1	0	
	2.7. Support Clinical Staff Class	1	0	
	2.8. Support Central Department Staff Class	1	0	
3.	Service Users and Carers Constituency			16
	3.1. Service Users Class	5	5	
	3.2. Carers Class	3	1	
	3.3. Young Service User and Carer Class	1	1	
4.	Appointed Governors			4
	4.1. Sheffield Clinical Commissioning Group	0	1	
	4.2. Sheffield City Council	3	0	

5.	Further Organisations			7
	5.1. Sheffield Health and Social Care Trust Joint Consultative Forum	1		
	5.2. Sheffield Hallam University	1		
	5.3. Sheffield University	1		
	5.4. Stakeholder organisations: Sheffield Carers Centre Sheffield Mencap	1 1		
	5.5. Sheffield African Caribbean Mental Health Association	1		
	5.6. Sheffield Pakistani Muslim Centre	1		
	Total number of Governors	29 in post	15 vacancies	44

The Council of Governors is chaired by the Trust Chair Sharon Mays. It is the Chair's 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. The Chair fulfils this responsibility through regular communication with Governors, providing updates at each Council meeting; and providing Governors the opportunity to meet on a one-to-one basis.

It is a requirement that Foundation Trusts identify a Lead Governor from within its Council of Governors. According to the Trust Constitution, the Lead Governor can be appointed from the public, service user carer or young service/carer governor constituencies. Following agreement by the Council to extend the Lead Governor's term for a further six months from December 2021 and to defer the election of the Lead Governor to 30 June 2022, Terry Proudfoot was elected as the Lead Governor for a further 2-year period, from 1 July 2022. Similarly, it was agreed to extend the Deputy Lead Governor's term by six months and Ben Duke remains in this role until the end of June 2023.

Governors primarily carry out their role through the meetings of the Council of Governors of which there were five formal regular meetings. An additional three extraordinary meetings were held in 2022/23.

Following consultation with Governors, a blended approach has been retained to holding formal Council of Governor meetings online and development/workshop sessions in person where possible. Governors who were unable to participate virtually were offered digital support to access the meetings.

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 items only.

Detail on the participation of governors in the Council of Governors meetings is shown in Table two below. The current list of Governors can also be found on the website at: <https://www.shsc.nhs.uk/get-involved/council-governors>

Table two

Name	Constituency	Elected or appointed	Date appointed	Term ends	Meeting attendance (regular)	Meeting attendance (extra-ordinary)
Chris Digman	Public South East	Elected	01.08.2020	31.07.2023	4/5	1/3
Julie Kitlowski	Public South West	Elected	01.08.2021	31.07.2024	4/5	2/3
Ben Duke	Public South West	Elected	01.08.2020	31.07.2023	5/5	2/3
Sylvia Hartley	Public North West	Elected	01.08.2020	31.07.2023	3/5	1/3
Irene Nakamatte	Public North West	Elected	01.07.2022	30.06.2025	0/3	0/2
Chloe Thomas	Public Rest of England	Elected	01.07.2022	30.06.2025 (stood down 31.12 22)	0/2	0/1
Fozia Nadeem	Public Rest of England	Elected	01.02.23	30.06.2025	0/2	0/1
Adam Butcher	Service User	Elected	01.07.2019	30.06.2022	2/2	1/1
Nev Wheeler OBE	Service User	Elected	01.09.2020	31.08.2023	3/5	0/3
Nicola Hodson	Service User	Elected	01.08.21	31.07.2024	1/5	2/3

Jonathan Hall	Service User	Elected	01.07.2019 01.07.2022	30.06.2022 30.06.2025	5/5	2/3
Rebecca Lawlor	Service User	Elected	01.09.2020	31.08.2023	5/5	1/3
Terry Proudfoot	Service User	Elected	01.07.2019 01.07.2022	30.06.2022 30.06.2025	5/5	3/3
Joan Toy	Service User	Elected	01.07.2016	30.06.2022	1/2	0/1
Catherine Prior	Service User	Elected	01.07.2022	30.06.2025 (stood down 19.10.22)	1/1	0/1
Billie Critchlow	Carer	Elected	01.07.2016 01.07.2022	30.06.2022 30.06.2025	4/5	3/3
Saira Jabin	Carer	Elected	01.02.23		1/1	1/1
Liz Friend	Carer	Elected	01.07.2019	30.06.2022	2/2	1/1
Sue Roe	Carer	Elected	01.07.2013	30.06.2022	0/2	0/1
Dr. Alistair Brash	Young Care/ Service user	Elected	01.07.2022	30.06.2025	2/3	0/2
Mark Goodwin	Staff Social Work	Elected	05.07.2019	04.07.2022	0/2	0/1
Catherine Draper	Staff Psychology	Elected	01.08.2021	30.06.2022 (stood down 31.12.22)	4/4	1/2
Bradley Wass	Staff Central Support	Elected	01.07.2019	30.06.2022	1/2	1/1

David Palfreyman	Staff Central Support	Elected	01.07.2022	30.06.2025	1/3	2/2
Vyvyan Hopkinson	Allied Health Professionals	Elected	01.08.21	31.07.2024	0/3	0/2
Angelito Esguerra	Support Worker	Elected	01.02.23	30.06.2025	1/1	1/1
Trevor Wright	Clinical Support Worker	Elected	01.02.23	30.06.2025	1/1	0/1
Kathleen Myrie	Nursing	Elected	01.02.23	30.06.2025	1/1	1/1
Cllr Martin Phipps	Local Authority	Appointed	01.06.2022	01.05.2023	0/3	0/3
Cllr Steve Ayris	Local Authority	Appointed	04.07.2020 04.07.2022	01.05.2023 01.05.2023	1/5	2/3
Cecilia Jackson-Chambers	SACMHA	Appointed	01.05.2021	30.04.2024	3/5	2/3
Muhammad Ali	Pakistani Muslim Centre	Appointed	24.01.2020	23.01.2023 (stood down 09.06.22)	0/1	0/1
Irfan Khan	Pakistani Muslim Centre	Appointed	01.07.22	09.16.2025	0/3	0/2
Dave Swindlehurst	Sheffield MENCAP	Appointed	01.07.2020	30.06.2023	4/5	2/3

James Barlow	Sheffield Carers Centre	Appointed	22.01.2022	21.01.2025	5/5	2/3
Mark Gamsu	NHS Sheffield CCG	Appointed	15.05.2020	14.05.2023 (stood down 30.06.2022)	1/2	1/1
Scott Weich	University of Sheffield	Appointed	03.09.20	02.09.2023	3/5	3/3
Julie Marsland	Staff Side	Appointed	01.07.2020	30.06.2023	3/5	3/3
Susan Wakefield	Sheffield Hallam University	Appointed	08.09.2016	07.09.2022	1/2	1/2

3.1.28.3 Changes to the Council of Governors

Each year elections take place to appoint to vacancies or to seats in which the term of office has come to an end. In 2022/23 elections were held for 24 vacancies. Of these vacancies, 8 of the seats were filled and 16 vacancies remained in the staff, carer and Public North East constituencies. The Public Rest of England seat was the only contested seat, all other seats were elected unopposed.

Constituency	Number of seats	Successful candidates	Declaration date	Term start date
Public Sheffield North West	2	1 -Irene Nakamatte	27.05.22	01.07.22
Public Sheffield North East	2	0	27.05.22	N/A
Public South East	2	0	27.05.22	N/A
Public Rest of England	1	1-Chloe Thomas	27.05.22	01.07.22
Service Users	7	3-Terry Proudfoot; Jonathan Hall and Catherine Prior	27.05.22	01.07.22
Carer	4	1 - Billie Critchlow	27.05.22	01.07.22
Young Service User/Carer	2	1-Dr. Alistair Brash	27.05.22	01.07.22
Staff -Central Support	1	1-David Palfreyman	27.05.22	01.07.22
Staff – Clinical Support	1	0	27.05.22	N/A
Staff – Medical and Clinical	1	0	27.05.22	N/A
Staff – Nursing	1	0	27.05.22	N/A
Staff – Social Work	1	0	27.05.22	N/A
Staff – Support Workers	1	0	27.05.22	N/A

In addition to elected Governors and following confirmation from the appointing partners, a further two Governors were appointed to their vacant seats.

The Public Rest of England seat was a contested seat in the summer elections and following confirmation from the Election provider returning officer, the second nominated candidate was elected to the role. The dates for those Governors elected in 2022/23 is included in the table above with reference to their 'declaration date'.

A by-election was held in the Autumn of 2022 for the carer, staff and Public North East constituencies, and six seats were filled. The dates for those Governors elected is included in the table below with reference to their 'declaration date'.

Constituency	Number of candidates	Successful candidates	Declaration date	Term start date
Public Sheffield North East	1	0	15.11.22	N/A
Public Rest of England	1	1 - Fozia Nadeem	15.11.22	01.02.23
Carers	3	2 - Saira Jabin [1 of the posts has not been taken up and therefore this will result in a vacancy in 2023/24]	15.11.22	01.02.23
Staff – Clinical Support	1	1 - Trevor Wright	15.11.22	01.02.23
Staff – Medical and Clinical	1	0	15.11.22	N/A
Staff – Nursing	1	1 -Kat Myrie	15.11.22	01.02.23
Staff – Social Worker	1	0	15.11.22	N/A

Staff – Support Worker	1	1 - Angelito Esguerra	15.11.22	N/A
Staff – Psychology	1	0	15.11.22	N/A

3.1.28.4 Governor activities in 2022/23

3.1.28.4.1 Holding to account

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 Council of Governors holds the Board of Directors to account through the Non-Executive Directors. Governors have been updated on requirements of the updated Act and the updated Code of Governance, in respect of the impact on provider organisations and on the revised role of Governors including expectations around representing the views of wider populations than those served by their foundation Trust and have been provided with the opportunity to participate in system-wide Governor sessions.

The Trust must provide Governors with sufficient information to assure them on the safety, quality and cost effectiveness of its services and reports and presentations have been provided throughout the year to support them in this. The Board of Directors and the Council of Governors seek to work together effectively in their respective roles. Throughout the year Governors have undertaken several activities which enable them to fulfil their statutory duties by representing their membership and holding the Trust to account.

The Board and the Council of Governors work closely together to ensure the former understands the views of Governors. This is undertaken through a variety of methods including reports to Council meetings and through regular dialogue with Non-Executive Directors and opportunities to engage directly with the Chair. In 2022/23 Non-Executive Directors continued to share significant issues from Board committees with assurance on how they are being addressed. Governors are encouraged to attend the Board of Directors meetings held in public and to observe board sub-committee meetings.

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

The attendance of the Non-Executive Directors at Council of Governors meetings is shown in the table below.

Note - where a Governor or a member of the Board of Directors has joined that committee part way through the year their attendance is noted against the number of meetings relevant to their tenure.

Name	Title	Attendance at regular meetings	Attendance at extraordinary meetings
Sharon Mays	Trust Chair	4/5	3/3
Richard Mills (left 28 February 2023)	Non-Executive Director and Vice Chair	4/5	2/3
Anne Dray	Non-Executive Director	5/5	2/3
Heather Smith	Non-Executive Director	5/5	2/3
Dr Olayinka Fadahunsi-Oluwole	Non-Executive Director	2/5	2/3
Owen McLellan	Non-Executive Director	1/3	1/3
Mark Dundon (from March 2023)	Non-Executive Director	0/0	0/0
Professor Brendan Stone	Associate Non-Executive Director <i>*attendance in the latter part of the year was impacted by illness</i>	3/5	2/3
Deborah Lawrenson	Director of Corporate Governance (Board Secretary) Lead Executive support	5/5	3/3

Executive Directors attend meetings as and when needed and attendance at all meetings is not a requirement of them.

3.1.28.4.2 Forward plans

The Council of Governors collectively has responsibility for supporting the Trust in taking account of the views of its members when developing forward plans and services. Governors' views on the Trust's forward plans are sought each year along

with the views of staff, service users and other stakeholders.

3.1.28.4.3 Other activities

In addition to their statutory duties, during the financial year governors were provided with access to a range of training and development opportunities including:

- Regular Chair drop-in sessions for service user, public, carer and staff Governors
- One to one meetings with the Chair
- Governor Buddying scheme and meetings
- Patient and Carers Race Equality Framework workshop
- Service User Engagement and Experience co-production strategy workshop
- Human Rights Training Workshop
- Care Opinion Workshop
- Carers Open Door meetings
- Therapeutic Environments ward visit
- South Yorkshire Integrated Care System Governor Focus Workshop and Conference on system changes
- Community Mental Health Team Transformation programme workshop
- New Governors Induction workshops
- Networking lunch with Governors and Non-Executive Directors
- Observing Board sub committees
- Non-Executive Director recruitment
- Chief Executive Officer recruitment
- Carers Workshop
- Annual Members meeting
- Rethink Carer Involvement Workshop
- MHLDA Provider Collaborative Stakeholder panel

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

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

3.1.28.4.4 The Nomination and Remuneration Committee of the Council of Governors

The Nomination and Remuneration Committee is a delegated committee of the Council of Governors and consists of public, staff, service user and carer Governors. The committee is chaired by the Trust Chair, except for instances in which the appointment and performance of the Chair are discussed. The Senior Independent Director and the Board Secretary attend the committee to provide support and advice and where appropriate the Director/Deputy Director of People.

The committee is responsible for taking forward recommendations to the Council of Governors concerning appointment, re-appointment or termination of the Chair and Non-Executive Directors prior to the conclusion of their terms of office and reviews annual performance. It also receives key reports on appointments to the Executive which require approval at the Council of Governors such as the appointment of a Chief Executive; in advance of discussion at the Council of Governors meetings.

In 2022/2023, the Nominations and Remuneration Committee were involved in the following activities, support was provided in the recruitment by external consultants:

- Non-Executive Director recruitment
- Chief Executive Officer recruitment
- Chair and Non-Executive Appraisals
- Reappointment of the Trust Chair

Over the past 12 months the committee has met eight times (17 May 2022, 8 June 2022, 19 July 2022, 1 September 2022, 13 October 2022, 28 November 2022, 31 January 2023 and 31 March 2023)

Attendance of the Nominations and Remuneration Committee members is shown in the table below.

Name	Position	Attendance
Sharon Mays	Chair	8/8
Terry Proudfoot	Lead Governor (Service User)	7/8
Ben Duke	Deputy Lead Governor	6/8
Sylvia Hartley	Public Governor	7/8
Adam Butcher	Service User Governor	2/2
Billie Critchlow	Carer Governor	7/8

Nev Wheeler	Service User governor	2/7
David Palfreyman	Staff Governor	2/3
Jonathan Hall	Service User Governor	3/3
Anne Dray	Non-Executive Director and Senior Independent Director in an advisory role	7/8
Deborah Lawrenson	Director of Corporate Governance (Board Secretary) in an advisory role	8/8

3.1.29 Membership

Foundation Trust status gives the advantage of being closely influenced by the people who live in the communities that we serve. The Trust's membership is an essential and valuable asset and is well represented by the Council of Governors. This is reflected in the diversity of the constituencies into which our membership base is divided.

3.1.29.1 Constituencies, eligibility criteria and membership numbers

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

Constituency	Class	Number of members	Criteria for membership
Public	South West	2,599	Must live in the following electoral wards: Gleadless Valley, Dore and Totley, Fulwood, Graves Park, Nether Edge, Ecclesall, Beauchief and Greenhill or Crookes.
Public	South East	2,325	Must live in the following electoral wards: Darnall, Manor Castle, Arbourthorne, Richmond, Birley, Mosborough, Beighton or Woodhouse.
Public	North West	1,943	Must live in the following electoral wards: Stocksbridge and Upper Don, Stannington, Hillsborough, Walkley, Broomhill or Central.
Public	North East	2,368	Must live in the following electoral wards: West Ecclesfield, East Ecclesfield, Southey, Firth Park,

			Burngreave, Shiregreen and Brightside.
Public	Rest of England	535	Any area within England outside of the Sheffield electoral wards.
Service user	Service user	919	Must have received a service or services from the Trust within the last five years.
Service user	Carer	599	Must have cared for someone who has received a service from the Trust in the last five years.
Service user	Young service user or carer	77	A service user or carer but must be 35 years old or younger.
Staff	Allied Health Professional	130	Must have either worked for the Trust continuously for at least 12 months or have a contract of no fixed term.
Staff	Central support	268	
Staff	Clinical support	100	Must have either worked for the Trust continuously for at least 12 months or have a contract of no fixed term.
Staff	Medical and clinical	263	
Staff	Nursing	487	
Staff	Psychology	187	
Staff	Social work	26	
Staff	Support work	374	

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

3.1.29.2 Developing a representative membership

It is our aim to maintain and further develop a membership that involves and reflects a wide representation of our local communities. Engaging with members and the public ensures that the views of local people and those further afield are taken into account and this helps to improve the experiences of staff, services users and carers. During 2023/24 we will work with our governors to develop a new membership engagement strategy.

3.1.29.3 Membership recruitment and engagement

Communication and engagement with members, service users, carers and volunteers is done through a variety of channels and these include:

- SHSC website
- Digital media
- Local media
- Annual Members Meeting

The Trust held a successful Annual Members Meeting in 2022 which was an in-person event and was attended by Governors, members, staff, service users and the general public. The event provided an opportunity for members to learn more about the Trust and its services. Staff at SHSC were celebrated for their continued hard work and dedication. There were a range of information stalls highlighting some of the services and projects in SHSC:

- Chaplaincy and Spiritual Care
- Clinical and Social Care Strategy
- Continuous Improvement
- Council of Governors
- Engagement and Experience Team
- Gulu-Sheffield Mental Health Partnership
- HUSH Safety Huddles (Huddling up for Safer Healthcare)
- SHSC Membership
- Research Development Unit
- Sheffield Flourish
- Wellbeing

A video showcase featured the Primary and Community Mental Health partnership work and Improving Access to Psychological Therapies (IAPT) service.

Interactive stalls were provided by SHSC Art Therapy and a graphic illustrator who documented the event through an engaging and vibrant illustration (see below)

3.1.32 Income disclosures

In 2022/23, 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 healthcare for the benefit of service users.

3.1.33 The Better Payments Practice Code

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

The Trust achieved 100% compliance for NHS entities throughout 2022/23 by both number and value. Performance for non-NHS bodies was 99.1% for invoice numbers and 99.6% for invoice values.

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

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

Jan Ditheridge
Chief Executive
Date: 28.06.2023

3.2 Remuneration Report

3.2.1 Annual statement on remuneration

The Board Remuneration and Nomination Committee has met on 11 occasions during the year and considered the following matters:

- Succession planning for the Chief Executive role
- Chief Executive recruitment
- Executive Director Recruitment
- Interim arrangements for the role of Executive Director of Nursing, Professions and Operations
- Re-appointment to the Board approved Associate Non-Executive role
- Impact of the Messenger Report
- Executive Director and Director pay and pay awards (All Very Senior Managers)
- Executive Director appraisals and objectives
- Committee self-effectiveness review and annual report from the committee to the board
- Review of Terms of Reference
- Clinical excellence awards (CEA) process

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

Sharon Mays
Chair
Chair of Remuneration and Nomination Committee
Date: 28.06.2023

3.2.2 Directors' remuneration

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

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

The committee is responsible for ensuring the Chief Executive and Executive Team performance is monitored through the Trust appraisal process and taken into consideration if salary increases above national recommendations are being considered.

During 2022/23, the committee has delivered its key responsibilities as set out in the terms of reference, including consideration of executive portfolios and executive team appointments or exit arrangements, and remuneration thereof. This reflects the changes in staffing in the Executive team, including the interim arrangements for covering the role of the Executive Director of Nursing, Operations and Professions.

The Executive team members 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 Team contract is six months' notice. Any other liability, such as unfair dismissal compensation, would depend on the circumstances of the case. The table provides details of current executive directors' contracts:

Executive Director	Date of start of substantive contract
Jan Ditheridge, Chief Executive	March 2020 (note Retire and Return September 2022 which required a new contract).
Beverley Murphy, Executive Director of Nursing, Operations and Professions and Deputy Chief Executive until February 2023	April 2021 – resigned effective February 2023
Dr. Mike Hunter, Medical Director and Deputy Chief Executive from February 2023	October 2016
Phillip Easthope, Executive Director of Finance	January 2016
Caroline Parry Executive Director of People	January 2021
Salli Midgely, Interim Executive Director for Nursing and Professions	From January 2023 in this role in an interim

	capacity (substantive from 1 June 2023)
Pat Keeling Director of Strategy (non-voting)	February 2022
Deborah Lawrenson, Director of Corporate Governance (non-voting)	April 2022
Neil Robertson Interim Executive Director of Operations and Transformation (non-voting)	From January 2023 in this interim role

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

The Board's Remuneration and Nomination Committee reviews the remuneration of Directors annually, considering information on remuneration rates for comparable jobs in the National Health Service.

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

The Chief Executive received a retention payment as part of the retire and return arrangement to stay on to the end of the financial year to support the Trust in recruiting a new Chief Executive. The retention payment is part of the amounts disclosed in table A.

During the retire and return period for the Chief Executive, the Deputy Chief Executive at that time Beverly Murphy acted up as Accountable Officer with NHSE advised of this. No additional remuneration was received.

The salary component for Directors supports the short and long-term strategic objectives of the Trust. It assists us in attracting and retaining senior managers who have the necessary skills and experience to lead the Trust and take forward the identified objectives. The salary is paid through our normal payroll processes. Salaries are set considering national guidance for Very Senior Managers (including Annex A), benchmarking information and the relationship with the salaries available to other staff. There is provision on termination of the contract, for the payment of salary in lieu of outstanding leave.

Two posts in the Executive Team attract a salary exceeding the £150,000 threshold warranting specific mention – these are the Chief Executive and the Executive Medical Director (this salary includes the medical consultant element of the role).

3.2.3 Non-Executive Directors' remuneration

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

It is the responsibility of the Council of Governors' Nomination and Remuneration Committee to ensure performance is monitored for the Chair and Non-Executive Directors. The committee may, in appropriate cases, or, if specifically requested by the Council of Governors to do so, report its findings to the Council. Details of the activities of the Nominations and Remuneration Committee for the past year are reported on in Section 3.1.28.4.4 of this report.

Details of the remuneration paid to all of the Directors during 2021/22 and 2022/23 are shown in Table A on the following page. The policies applied, and descriptions of these policies are included in Table B. The Non-Executive Directors' duration of office is reported in Section 3.1.12 of this report.

3.2.4 Directors' remuneration and pension entitlements

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

During the year J Ditheridge has retired and returned to the Trust in the same role. This was for a specified and agreed period to recruit a successor – to 31st March 2023 extended to 30 June 2023 to complete the recruitment process.

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

Table A – Salaries and Allowances 2022/23

Name and title	Period 01.04.22 to 31.03.23							Period 01.04.21 to 31.03.22						
	Salary and Fees (bands of £5,000)	Other Remuneration (bands of £5,000)	Taxable Benefits (rounded to the nearest £100)	Annual Performance Related Bonuses (bands of £5,000)	Long Term Performance Report 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 £100)	Annual Performance Related Bonuses (bands of £5,000)	Long Term Performance Report Bonuses (bands of £5,000)	Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)
	£'000	£'000	£	£'000	£'000	£'000	£'000	£'000	£'000	£	£'000	£'000	£'000	£'000
J Ditheridge, Chief Executive (retired 31st August 2022, returned 15th September 2022)	145-150	-	-	-	-	-	145-150	155-160	-	-	-	-	-	155-160
P Easthope, Executive Director of Finance, IMST and Performance	125-130	-	-	-	-	32.5-35	160-165	120-125	-	-	-	-	32.5-35	155-160
Dr M Hunter, Executive Medical Director	180-185	-	13,900	-	-	125-127.5	325-330	175-180	-	13,900	-	-	-	190-195
P Keeling, Director of Strategy (from 1st February 2022)	115-120	-	-	-	-	-	115-120	15-20	-	-	-	-	-	15-20
D Lawrenson, Director of Corporate	95-100	-	-	-	-	40-42.5	135-140	-	-	-	-	-	-	-

Governance and Board Secretary (from 4 th April 2022)														
S Midgley, Interim Executive Director of Nursing and Professions (from 3rd January 2023)	25-30	-	-	-	-	45-47.5	70-75	-	-	-	-	-	-	-
B Murphy, Executive Director of Nursing, Professions and Operations (change of role from 31st December 2022 and left 9th February 2023)	90-95	-	-	-	-	160-162.5	255-260	140-145	-	-	-	-	15-17.5	155-160
C Parry, Executive Director of People	100-105	-	-	-	-	25-27.5	125-130	95-100	-	-	-	-	25-27.5	120-125
N Robertson, Interim Executive Director of Operations and Transformation	25-30	-	-	-	-	2.5-5	30-35	-	-	-	-	-	-	-

(from 3rd January 2023)														
	Period 01.04.22 to 31.03.23							Period 01.04.21 to 31.03.22						
Name and title	Salary and Fees (bands of £5,000)	Other Remuneration (bands of £5,000)	Taxable Benefits (rounded to the nearest £100)	Annual Performance Related Bonuses (bands of £5,000)	Long Term Performance Report 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 £100)	Annual Performance Related Bonuses (bands of £5,000)	Long Term Performance Report Bonuses (bands of £5,000)	Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)
	£'000	£'000	£	£'000	£'000	£'000	£'000	£'000	£'000	£	£'000	£'000	£'000	£'000
S Rudd, Interim Director of Corporate Governance (left 7th May 2022)	10-15	-	-	-	-	-	-	40-45	-	-	-	-	-	40-45
S Mays, Chair (from 1st October 2021)	45-50	-	-	-	-	-	45-50	20-25	-	-	-	-	-	20-25
A Dray, Non-Executive Director	10-15	-	-	-	-	-	10-15	10-15	-	-	-	-	-	10-15
M Dundon, Non-Executive Director (from 1st March 2023)	0-5	-	-	-	-	-	0-5	-	-	-	-	-	-	-
Dr O Fadahunsi-Oluwole, Non-	10-15	-	-	-	-	-	10-15	10-15	-	-	-	-	-	10-15

Executive Director														
O McLellan, Non-Executive Director (from 1st July 2022)	5-10	-	-	-	-	-	5-10	-	-	-	-	-	-	-
R Mills, Non-Executive Director (left 28th February 2023)	10-15	-	-	-	-	-	10-15	10-15	-	-	-	-	-	10-15
H Smith, Non-Executive Director	10-15	-	-	-	-	-	10-15	10-15	-	-	-	-	-	10-15
Prof. B Stone, Associate Non-Executive Director	5-10	-	-	-	-	-	5-10	5-10	-	-	-	-	-	5-10
M Potts, Chair (to 30th September 2021)	-	-	-	-	-	-	-	20-25	-	-	-	-	-	20-25
S Keene CBE, Non-Executive Director (to 31 December 2021)	-	-	-	-	-	-	-	10-15	-	-	-	-	-	10-15

Dr M Hunter salary includes basic salary plus Clinical Excellence Award less Salary Sacrifice lease car deductions. Taxable Benefits shows the salary sacrifice lease car payments made by Dr M Hunter.

The above tables show any officer who was deemed to be a senior manager during 2022/23 along with prior year 2021/22. Where the officer has worked part of the year the start or end date has been stated.

Table B – Senior managers’ remuneration - future policy table

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

Note: There were no new components of the remuneration packages. There were no changes made to existing components of the remuneration packages. The Executive Directors’ remuneration levels are referenced to the Chief Executive’s and any increases set through the Remunerations and Nominations Committee. The remuneration for all other employees of the Trust are set by Agenda for Change or other relevant agreed contractual arrangements.

One executive director leased a vehicle through the Trust’s Car Lease Schemes (Dr M Hunter – Salary Sacrifice).

3.2.5 Fair Pay Disclosures

	01 April 2022 to 31 March 2023	01 April 2021 to 31 March 2022
Band of highest paid director's total (remuneration £000)	195-200	190-195
Median total remuneration	26,282	24,882
Ratio of median remuneration to midpoint of the highest paid director's band	7.5	7.7

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

The banded remuneration of the highest-paid director in the organisation in the financial year 2022/23 was £197,500 (2021/22, £192,500). This is a change between years of 3%.

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

For employees of the Trust as a whole, the range of remuneration in 2022/23 was £9,400 to £270,000 (2021/22 - £6,157 to £264,000). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 6%. One employee received remuneration in excess of the highest-paid director in 2022/23 (2021/22 – was also 1 employee).

Both years relate to a consultant who is employed by the Trust but is seconded part time to NHS England. The pay value quoted covers both the pay whilst working for the Trust along with the secondment work, which is recovered by the Trust. The value also includes an element for clinical excellence award.

The 2021/22 comparator values have been updated to reflect annualised costs.

Fair Pay Multiples

	Pay data	25% employees v mid point highest paid director	50% employees v mid point highest paid director	75% employees v mid point highest paid director
	£	£	£	£
2022/23				
Highest paid director				
Basic and allowances	118,267	118,267	118,267	118,267
Pay and benefit	197,500	197,500	197,500	197,500
All employees				
Basic and allowances	26,282	21,318	26,282	40,588
Total pay and benefit	26,282	21,318	26,282	40,588
Ratio (pay and benefits)		9.3	7.5	4.9
2021/22				
Highest paid director				
Basic and allowances	113,936	113,936	113,936	113,936
Pay and benefit	192,500	192,500	192,500	192,500
All employees				
Basic and allowances	24,882	19,918	24,882	39,027
Total pay and benefit	24,882	19,918	24,882	39,027
Ratio (pay and benefits)		9.7	7.7	4.9

Year movements %

Highest paid director	3%	3%	3%	3%
All employees	6%	7%	6%	4%

Highest Paid Director Comparator (using midpoint of band)

	2022/23	2021/22	% change
	£	£	
Total Pay and Benefits	197,500	192,500	3%

3.2.6 Directors and governors expenses

The table below shows the number and aggregate value of expenses paid to Directors and Governors for 2022/23 and prior year 2021/22.

	Number of individuals who held office at any point during the year		Number who claimed expenses during the year		Amount claimed in total £00	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Governors	29	43	5	0	1	0
Directors	16	15	8	2	33	2

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

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

Pension benefits 2022/2023

Name and title	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31 March 2023 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2023 (bands of £5,000) £000	Cash equivalent transfer value at 31 March 2023 £000	Cash equivalent transfer value at 31 March 2022 £000	Real increase in cash equivalent transfer value £000
J Ditheridge, Chief Executive (retired 31 August 2022, returned 15 September 2022)	0	0	0	0	0	0	0
P Easthope, Executive Director of Finance, IMST and Performance	2.5 - 5	0	35 - 40	55 - 60	544	490	21
Dr M Hunter, Executive Medical Director	5 - 7.5	10 - 12.5	45 - 50	110 - 115	916	758	113
D Lawrenson, Director of Corporate Governance and	2.5 - 5	0 - 2.5	30 - 35	70 - 75	671	594	45

Board Secretary (from 4 April 2023)							
S Midgley, Interim Executive Director of Nursing and Professions (from 3 January 2023)	0 - 2.5	5 - 7.5	70 - 75	190 - 195	1,484	1,234	47
B Murphy, Executive Director of Nursing, Professions and Operations (change of role from 31 December 2022 and left 9 February 2023)	7.5 - 10	17.5 - 20	80 - 85	245 - 250	1,916	1,612	178
C Parry, Executive Director of People	0 - 2.5	0	5 - 10	0	121	90	15
N Robertson, Interim Executive Director of Operations and Transformation (from 3 January 2023)	0 - 2.5	0	35 - 40	65 - 70	644	447	41
S Rudd, Interim Director of Corporate Governance (left 7 May 2022)	0	0	15 - 20	0	270	264	-4

Pension benefits 2021/2022

Name and title	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2022	Lump sum at pension age related to accrued pension at 31 March 2022	Cash equivalent transfer value at 31 March 2022	Cash equivalent transfer value at 31 March 2021	Real increase in cash equivalent transfer value
	(bands of £2,500) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	£000	£000	£000
J Ditheridge, Chief Executive	0	0	65 - 70	195 - 200	0	1,600	0
P Easthope, Executive Director of Finance, IMST and Facilities	2.5 - 5	0 - 2.5	30 - 35	55 - 60	490	451	19
Dr M Hunter, Executive Medical Director	0 - 2.5	0	40 - 45	95 - 100	758	745	6
B Murphy, Executive Director of Nursing, Professions and Operations	0 - 2.5	2.5 - 5	70 - 75	215 - 220	1,612	1,533	50
C Parry, Executive Director of People	0 - 2.5	0	5 - 10	0	90	62	13

Cash equivalent transfer value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates that was extant on 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023/24 CETV figures.

Most Trust employees' pensions are managed by 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. It is, therefore, not possible for the Trust to identify its share of the underlying scheme assets and liabilities. A small number of staff (39) are members of South Yorkshire Pensions scheme. Further details can be found in the Annual Accounts in note 1.5 and notes 37 and 37.1.

The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant Financial Reporting Manual (FRM) interpretations, and the discount rate prescribed by HM Treasury have also been used.

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to transfers of pension rights. The value derived does not represent the value receivable by individuals. It is only an estimation of the benefits accrued by being a member of the pension scheme. The pension benefit table provides further information on the pension benefits accruing to individuals and section 3.2.4 provides detail on directors who have opted out of the pension.

3.2.7 Service contract obligations

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

There were no obligations to the Trust from service contracts within senior manager's contracts in 2022/23 or 2021/22.

3.2.8 Policy on payment for loss of office

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

The Trust reserves the right to terminate the contract forthwith for offences of gross misconduct and other similar situations such as serious breach of the contract,

becoming bankrupt, being convicted of a criminal offence, becoming permanently incapacitated or becoming disqualified from holding office as an Executive Director.

3.2.9 Statement of consideration of employment conditions elsewhere in the Trust

The Remuneration and Nomination Committee took explicit account of the Agenda for Change pay award which was effective from April 2022.

3.2.10 Senior manager remuneration policy

Our objective is to promote diversity and equal opportunity across groups where there is evidence of under representation.

This is identified through a review of data, in particular metrics found in the Workforce Race Equality Standard, the Workforce Disability Equality Standard and Gender Pay Gap review.

Action is identified annually, and progress is reported through reports, including the diversity of Board of Directors representation in terms of race and disability.

Some of our commitments to diversity and equal opportunity include:

- Members of the Remuneration and Nomination Committee will be compliant with the legal duties incumbent upon them set out in the Equality Act 2010 and related regulations, in particular the duty to have due regards to preventing discrimination and promoting equality of opportunity where people share specific characteristics
- The committee may consider the use of positive action in recruitment and promotion in line with section 158 and section 159 of the Equality Act 2010

Jan Ditheridge
Chief Executive
Date: 28.06.2023

3.3 Staff Report

3.3.1 Staff numbers and staff costs

Average number of employees (whole time equivalent basis)	2022/23 Permanent number	2022/23 Other number	2022/23 Total number	2021/22 total number
Medical and dental	145	19	163	147
Administration and estates	657	20	677	428
Healthcare assistants and other support staff	793	170	963	1,003
Nursing, midwifery and health visiting staff	486	38	524	533
Nursing, midwifery and health visiting learners	-	-		-
Scientific, therapeutic and technical staff	240	2	242	322
Other	7	12	19	7
Total average numbers	2,327	260	2,587	2,440
Of which:				
Number of employees (WTE) engaged on capital projects	12	-	12	-

As of 31 March 2023 the gender ratio of staff was 73.37% female and 26.63% male (2796 total workforce headcount).

Of our Executive Directors, four are female and two are male.

Of our other senior managers, 52 are female and 20 are male.

Staff costs

	Permanent	Other	2022/23 Total	2021/22 Total
	£'000	£'000	£'000	£'000
Salaries and wages	90,033	4,753	94,786	87,878
Social security costs	9,441		9,441	8,450
Apprenticeship levy	470		470	411
Employer's contributions to NHS pensions	10,993		10,993	10,282
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	4,835		4,835	4,508
Pension cost - other	159		159	159
Temporary staff		9,901	9,901	5,899
Total gross staff costs	115,931	14,654	130,585	117,587
Recoveries in respect of seconded staff				
Total staff costs	115,931	14,654	130,585	117,587
Of which				
Costs capitalised as part of assets	734	938	1,672	165
Total staff cost excluding capital costs	115,197	13,716	128,913	117,422

3.3.2 Sickness absence

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

3.3.3 Supporting equality and inclusion

Our Equality Diversity and Inclusion Strategic Overview 2020 - 2024 includes our Equality Objectives and how these align with the NHS Equality Delivery System.

We publish a separate [Annual Equality and Human Rights Report](#) which includes information on our progress against these each year.

Our [Annual Workforce Race Equality Standard \(WDES\) Report](#) outlines our actions on race equality.

You can read these reports in full on our website at www.shsc.nhs.uk/about-us/equality-diversity-and-inclusion

3.3.3.1 Supporting disabled employees

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

We have a Disabled Staff Policy setting out our policy approach which focuses on a social model of disability, we regularly include lived experience as an essential and desirable criterion in many of our roles.

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

Our 2022 WDES provides details about our 2022/23 action on disability, this is co-produced with our Disabled Staff Network Group.

You can read this report on our website at <https://www.shsc.nhs.uk/sites/default/files/2022-11/Workforce%20Disability%20Equality%20Standard%20Report%20and%20Action%20Plan%202022.pdf>

3.3.4 Staff engagement and involvement

Our engagement activity underpins everything we do at SHSC. Staff experience, engagement and wellbeing are key to enabling us to deliver our strategic aims and priorities.

We have created an Annual Staff Engagement calendar that is underpinned by the national People Plan, our People Strategy and our Staff Survey and People Pulse results.

We focus on the things that will make a positive difference, including:

- Improving communication and evaluating effectiveness of our communication channels
- Making it easier to talk about the challenges we face, the support needed and reporting back the difference this has made to our people and our service users
- Enabling engagement and staff voice through various routes including our Staff Network Groups, Staff Side/Trade Unions and Freedom to Speak Up Guardian to share information, ideas, concerns, and challenges
- Working with teams and leaders to ensure awareness and access to wellbeing resources and support

- Ensuring an inclusive approach and providing opportunities for staff to take part in events and away days across the calendar year
- Placing big discussion topics front and centre such as Equality, Diversity and Inclusion, menopause, and wellbeing
- Investing in accessible leadership development as part of our commitment to delivering on our strategic priorities and being Well-Led

3.3.5 Staff consultation

We work in partnership with Staff Side, the Trust Union representatives, and govern our consultation and engagement through the Joint Consultative Forum (JCF), Joint Policy Group (JPG) and, for medical staff, the Joint Local Negotiating Committee (JLNC).

In addition, there are specific arrangements put in place for particular issues or topics. These have included strike action committees, bargaining forums to review mileage expenses in response to the increasing fuel costs and local forums.

We continue to work closely in partnership with Staff Side who have held a place on key working groups, including our Staff Health and Wellbeing Group.

We work closely with the British Medical Association (BMA) to respond to national NHS decisions and Local Clinical Excellence Awards.

Through increasing organisational change we have maintained relations and close working to support staff through collective and individual consultation.

A Case for Change will be received by JCF before consultation begins, and all change will be evaluated on completion, with learning used to inform the improvement of future processes.

3.3.6 Education, training and development

3.3.6.1 Mandatory training

We have a dedicated training team which commissions and supports the delivery of core mandatory, clinical skills and specialist training for our staff to ensure that they meet the essential training requirements for their roles. Our aim is to ensure we always have the staff with the right skills at the right time to provide high quality, safe care for our service users.

We have made progress on embedding enhanced technological ways of working, improving web-based programmes, and adding more programmes to our Electronic Staff Record (ESR) system to improve efficiency. Four additional subjects transferred over to e-learning and by the end of 2023/24 we commit to move the remaining web-based assessments on to our ESR system. The team, in conjunction with Senior leads and Subject experts have also added 10 new subjects to the Trust's mandatory training portfolio including Safe Sharps, Duty of Candour and Medicines Review.

We moved to new Training premises in August 2022 and continue to look at ways to redesign mandatory training to make it easier to access, more meaningful and to

reduce the time out of practice for front line clinical staff. A full review of all our Mandatory Training will take place during 2023/24. This is an opportunity to change the way we deliver mandatory training to regularly engage with our staff in a way that helps them to do their job safely and effectively, live our values and feel well supported in their roles.

3.3.6.2 Apprenticeships

We currently have 45 staff studying on 17 different apprenticeships within SHSC with 18 more in the pipeline for 2023 ranging from Level 3 to Level 7. Apprenticeships are used to support recruitment and retention of Registered Nurses, Support Workers and Pharmacy Technician roles in a response to workforce shortages, as well as for new role development including Trainee Nursing Associates (TNA) and Clinical Associate Psychologists (CAP).

In 2022 we had our first Registered Nurse Degree Apprenticeships complete the programme and move into permanent registered nurse vacancies. We have our first qualified nursing associates enrolled on the top up Registered Nurse Degree Apprenticeship (RNDA) apprenticeship and well on their way to becoming qualified nurses.

SHSC were involved in the development of the CAP standard through the trailblazer, our first cohort of 20 have successfully completed and we have won an award for the quality of this programme delivered in partnership with Sheffield Hallam University.

Our range of apprenticeships is broadening as services gain more understanding and awareness of the opportunities available. For example, we are connecting apprenticeship standards to individual vacancies in our governance and finance departments. We are developing a Band 2/3 support worker career pathway which utilises the level 2 healthcare support worker apprenticeship standard to start individuals off on their career journey from support worker to advanced practitioner.

We are preparing to meet people during National Apprenticeship Week and hope to connect with more staff and spread the word about the opportunities available to them.

3.3.6.3 Induction

In October 2022, the monthly 'Welcome to Team SHSC' day for new starters returned to face-to-face delivery following delivery via MS Teams during the pandemic.

The welcome day provides new staff with an opportunity to meet the Chief Executive and Executive Director of Nursing, Professions and Operations in person, and discuss our culture and values.

A marketplace of different corporate teams, services and staff support has been introduced for attendees.

New staff have a chance to learn more about our staff network groups and staff benefits, how to navigate our extranet, known as 'Jarvis', and are introduced to the learning platform on the electronic staff record (ESR). New starters are booked on to the session automatically as part of the recruitment process through the Trac system. SHSC has welcomed 213 virtual and 84 face to face delegates in 2022.

3.3.6.4 Nursing - pre-registration training and new role developments

Our placement teams continue to support and educate Mental Health and Learning Disability student nurses from Sheffield Hallam University. We have capacity to host up to 80 students at any given time but have had an urgent need to increase this to meet demand to support students to meet their placement requirements. During 2022/23 we developed placements with the Quality Directorate and any remaining clinical teams that don't currently support students. The majority of students who have placements with us go on to start their careers at SHSC and the experience to be gained in these smaller teams and quality functions is invaluable.

It is now a requirement for all Trust nurses to undertake e-learning Practice Supervisor Preparation. This has led to a significant increase in the number of supervisors available to the students. We have continued to support staff to undertake Practice Assessor Training at Sheffield Teaching Hospitals.

3.3.6.4.1 Open University Registered Nurse Degree Apprenticeship (RNDA)

We currently have 15 apprentices on the Open University RNDA programme. All apprentices have been recruited internally and two are people who successfully completed their Nursing Associate training with us. To date only one person has left the programme prior to qualification. During 2022/23 six staff have successfully completed their training and have now started their preceptorship with the Trust.

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

3.3.6.5 Medical Education

We have a well-established relationship with the University of Sheffield's Medical School, leading on teaching in psychiatry to undergraduate medical students across the five-year course. We will support around 240 students per year (increasing to 310 over the next three years) as the lead organisation for clinical placements in the region. This year we are also providing placements for approximately 40 Physician Associates in conjunction with the University of Sheffield and Sheffield Hallam University.

Additionally, we run several recruitment initiatives such as work experience opportunities to encourage students and doctors to consider psychiatry as a career and offer student-selected components and electives. We have two undergraduate Clinical Tutors, and two Nurse Educators to support the development and improvement of undergraduate medical and physician associate education. We have a number of volunteer service users providing support to medical and physician associate students.

We also have eight undergraduate Consultant or Specialty and Specialist (SAS) Medical Placement Leads from across the Trust to ensure students get a broad and supported learning experience on placement. Many trainees are involved in supporting medical education projects and we have actively supported a curriculum review

process in the Medical School to enhance students' exposure to mental health, social accountability and psychiatry themes.

Psychiatry is considered a hard to fill training specialty and we have recruited Clinical Fellows on fixed term contracts over the last year to be able to overcome the challenges of low recruitment. They are being supported to develop skills in psychiatry and three have now joined the training scheme.

We have also recruited 11 qualified Physician Associates (PA) to support the care of patients in our inpatient wards, learning disability and recovery services and are involved in Continuing Professional Development (CPD) events. Educational input for them is being provided by colleagues in the Medical Education department and have recruited a lead PA. All PAs are also involved in the delivery of education and training within the Trust.

We are also supporting the educational needs of Advanced Clinical Practitioners (ACP) as part of workforce development initiatives. We have received good feedback from the South Yorkshire and Bassetlaw Faculty of Advanced Practice in relation to our ACP and PA programmes.

We are the lead employer for the postgraduate psychiatry training scheme in South Yorkshire and have a dedicated team to ensure a high quality and varied training experience. We have 13 foundation posts, 14 core posts and 14 higher training posts in old age, general adult and specialist areas in SHSC, and lead employ 98 trainees across South Yorkshire. SHSC provides mandatory Psychotherapy training to all regional trainees.

We have a robust teaching programme which includes regular CPD sessions, and we also hold local and regional teaching events with service user involvement. We are now gradually moving back to face-to-face teaching following two years of virtual teaching after the COVID-19 pandemic.

Once a month, we hold our Regional Event face to face to allow trainees to benefit from peer networking and support. We have also organised half day 'wellbeing' events for our trainees.

We have provided all doctors in training with a laptop to allow accessibility to online teaching and a more flexible approach to work.

We offer varied special interest opportunities in medical education (including medical student teaching), research and quality improvement. At a recent Health Education England quality visit, foundation and core trainees reported feeling well supported with sufficient learning opportunities and there are no open conditions. The GMC National Training Survey and Health Education England (HEE) Education and Training Survey have shown some areas for improvement such as supervision and we are actively working with Senior Clinicians to improve. We have established regular meetings with Clinical and Educational Supervision to maximise their support.

Enhanced support is provided to black and minority ethnic (BAME) trainees and international medical graduates, and we have a Less Than Full Time Work champion who is supporting the increasing number of doctors who choose to train part time. We encourage trainees to be a part of these groups and one trainee is a BAME Champion.

We provide a bi-monthly medical education meeting for trainees hosted by the Director of Medical Education and a weekly doctor’s call for all doctors hosted by the Medical Director. We have also started inviting Training Programme Directors to develop better networking with HEE.

Following the publication of ‘Supported and Valued’ by the Royal College of Psychiatrists, we host a quarterly Trainee Improvement Forum led by higher trainees to improve communication between trainees and senior management. Trainee feedback shows an appreciation for this event.

We work closely with the University of Leeds to deliver the Psychiatry Training Course to help prepare core trainees for college exams and life as a higher trainee and a timetable for higher trainees. We also host guest lecturers and use videoconferencing facilities to take advantage of clinical expertise in the region. We have recently been successful in our bid to continue delivery of this course for the next three years. From February 2023, the course will also be open to non-training doctors.

The Trust has become affiliated with the Faculty of Medical Leadership and Management. Leadership and Management training are now featured heavily in the Psychiatry Training Course timetable as well as other training events. Trainees are also now part of senior and strategic leadership and management groups in the Trust.

3.3.6.6 Appraisal compliance

Appraisal compliance	Dec 2021	Dec 2022	March 2023
% Agenda for Change Staff Appraisal Rate (12 Month Rolling or year to date as report to Board)	92.03%	85.5%	83.79%
% Medical Staff Appraisal Rate (12 Month Rolling or year to date as report to Board)	96.55%	84.62%	84.91%
% Mandatory Training Completed (12 Month Rolling or year to date as report to Board) overall compliance	90.30%	87.59%	87.35%

3.3.7 Health and safety

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

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

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

compliance risks to the Quality Assurance Committee and ensures the People Committee have oversight.

Work within the last year has included producing an annual report presented to both the Quality Assurance and People Committee, training for the Board of Directors, a survey of fire door compliance and further development of fire compliance reporting data.

3.3.8 Occupational health

Our Occupational Health services transferred to a new provider, Sheffield Teaching Hospitals from 1 January 2023; they provide a pre-employment screening service, vaccinations and management referral service.

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

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

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

Training and interventions - we provide specific training on key health related areas such as managing menopause, back care, manual handling, stress awareness and dealing with conflict. We are currently submitting for Accreditation as a Menopause friendly employer and have trained advocates in place.

3.3.9 Countering fraud, bribery and corruption

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

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

3.3.10 Gender Pay Gap

We have published our 2022 Gender Pay Gap. This can be viewed through the Government Gender Pay Gap reporting portal <https://gender-pay-gap.service.gov.uk>

Our narrative [Gender Pay Gap](#) reports are published on our website and highlight in detail progress toward reducing our gender pay gaps.

3.3.11 Staff Survey

The annual staff survey is our key staff engagement and benchmarking tool. We supplement this with three NHS People Pulse surveys which run across the year in January, April, and July. These enable us to take the 'pulse' of the organisation at timely intervals. During 2022 and early 2023 staff responded to the following surveys.

- January 2022 - People Pulse
- April 2022 - People Pulse
- July 2022 - People Pulse
- September to November 2022 - Annual NHS Staff Survey
- January 2023 - People Pulse

Overall results remain in line with 2021, with some small improvements emerging across many of the survey questions.

The feedback we receive from the Staff Survey is incredibly valuable and drives all our activity. The People Pulse surveys include the People Promise elements, which enable us to measure and evaluate like for like feedback at key points across the year.

The response rate to the 2022 survey was 48%, from 51.8% in 2021. Scores for each of the indicators together with the survey benchmarking group (mental health/learning disability community trust) are presented below:

People Promise Comparison

In reviewing our results from recent years, it is important to note that from 2021/2022 the survey questions were changed to align to the seven elements of the NHS 'People Promise' and retained the two previous themes of Staff Engagement and Morale.

Prior to this our staff survey scores were based on ten indicator themes. All results continue to be scored out of ten.

The following table provides an overview of Trust scores for the period 2018 to 2020, based on ten indicators.

	2020/21 2020 Survey		2019/20 2019 Survey		2018/19 2018 Survey	
	Trust	Benchmark Group	Trust	Benchmark Group	Trust	Benchmark Group
Equality, Diversity and Inclusion	8.8	9.1	8.9	9.0	9.0	8.8
Health and Wellbeing	6.0	6.4	5.7	6.0	5.8	6.1
Immediate Manager	7.1	7.3	7.2	7.3	7.2	7.2
Morale	6.1	6.4	6.1	6.3	6.0	6.2
Quality of Appraisals	N/A	N/A	5.1	5.8	5.1	5.7
Quality of Care	6.8	7.5	6.9	7.4	6.6	7.3
Safe Environment – Bullying and Harassment	7.9	8.3	7.9	8.0	7.9	7.9
Safe Environment – Violence	9.3	9.5	9.3	9.3	9.3	9.3
Safety Culture	6.1	6.9	6.1	6.8	6.2	6.7
Staff Engagement	6.6	7.2	6.7	7.0	6.7	7.0
Team Working	6.7	7.0	6.7	7.0	6.8	6.9

As we bed in the new format, based around the People Promise elements, engagement and morale, the table below shows our more recent results.

Indicators (People Promise elements and themes)	2022/23 2022 Survey		2021/22 2021 Survey	
	Trust Score	Benchmarking group score	Trust Score	Benchmarking group score
People Promise:				
We are compassionate and inclusive	7.2	7.5	7.1	7.5
We are recognised and rewarded	6.0	6.3	6.0	6.3

We each have a voice that counts	6.6	7.0	6.5	7.0
We are safe and healthy	5.9	6.2	5.9	6.2
We are always learning	5.5	5.7	5.4	5.6
We work flexibly	6.5	6.7	6.5	6.7
We are a team	7.0	7.1	6.8	7.1
Staff engagement	6.5	7.0	6.5	7.0
Staff morale	5.6	6.0	5.6	6.0

SHSC's benchmark report for 2022 is available online at:

<https://cms.nhsstaffsurveys.com/app/reports/2022/TAH-benchmark-2022.pdf>

Our 2022 results indicate:

Positive engagement from the 2022 survey:

- Immediate line management and the support they give their teams
- People enjoy 'working in their teams'
- More people seeing increased opportunities for career development and feeling supported in developing their potential

Key areas of focus from the 2022 survey are:

- Pay - one of the main areas of dissatisfaction, reflects the national context and discontent regarding pay in addition to cost-of-living pressures. We continue to support our staff on both
- Staff are telling us they need support to look after their wellbeing and help in managing conflicting demands on their time
- Resource challenges and feeling valued and recognised were also noted
- Advocacy of SHSC, which includes recommending us as a place to work and as a place for care for patients/service users, continue to be a key area to address

We remain committed and focussed on further improving our staff engagement and experience following this set of results. We will continue working in partnership across teams to enable a great place to work and for care.

Activity to improve engagement and experience of staff includes:

- Reviewing and enhancing our health and wellbeing support offers
- Consulting on how we can be 'Living our values every day' through turning our values into shared behaviours
- Building Team SHSC

- Celebrating our people working together for service users
- Continuing investment in the development of our leaders and managers to support and enable teams to work with teams
- Continuing to work in partnership with our Staff Network Groups and Staff Side colleagues

3.3.12 Trade Union Facility Time

All public-sector organisations that employ more than 49 full-time employees are required to submit data relating to the use of facility time in their organisation as per the Trade Union (Facility Time Publication Requirements) Regulations 2017.

The current reporting year is for the 12 months from 1 April 2022 to 31 March 2023. 'Facility time' is the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties and activities as a trade union representative.

There is a statutory entitlement to reasonable paid time off which we comply with, for undertaking trade union duties. There is no statutory entitlement to paid time off for undertaking trade union activities.

3.3.12.1 Trade union representatives and full-time equivalents

1 April 2022 to 31 March 2023

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

3.3.12.2 Percentage of time spent on facility time

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

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

3.3.12.3 Percentage of pay bill spent on facility time

Total cost of facility time	£186,734
Total pay bill	£130,585,000
Percentage of the total pay bill spent on facility time	0.14%

3.3.12.4 Paid trade union activities

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

Time spent on paid trade union activities as a percentage of total paid facility time hours	0.056%
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3.3.13 Expenditure on consultancy

In 2022/23 the Trust spent £399,000 on consultancy. A large proportion of this was in relation to transformation projects including Fulwood site disposal and IT services.

Fulwood site disposal includes £195k relating to various surveys, project management fees and property consultancy fees for the demolition and disposal of the previous headquarter building.

IT services includes £186k relating to consultancy services provided for Electronic Patient Record (EPR) support.

3.3.14 Off-payroll engagements

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

Table one: For all off-payroll engagements as of 31 March 2023, for more than £245 per day:

Off-payroll engagement	Number
Total number of existing engagements as of 31 March 2023	35
Of which:	

Number that have existed for less than one year at time of reporting	25
Number that have existed between one and two years at time of reporting	8
Number that have existed between two and three years at time of reporting	1
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	1

Table two: For all off-payroll appointments engaged at any point during the year ended 31 March 2023, for more than £245 per day:

	Number
Number of new engagements between 1 April 2022 and 31 March 2023	35
Of which:	
Number assessed as caught by IR35	35
Number assessed as not caught by IR35	0
Number engaged directly (via Professional Services Contract contracted to the entity) and are on the entity's payroll	0
Number of engagements reassessed for consistency / assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Table three: For any off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023:

	2022/23 number of engagements
Number of off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, during the financial year	0

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

3.3.15.1 Staff exit packages

3.3.15.1.1 Reporting of compensation schemes - exit packages 2022/23

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

The tables show packages agreed in year, irrespective of the actual date of accrual or payment. The figures are subject to audit.

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

3.3.15.1.2 Reporting of compensation schemes - exit packages 2020/21

Departures disclosed below are the legacy of the previous service restructure after exhausting all possible redeployment options within the Trust.

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	2		2
£10,000 - £25,000			
£25,001 - £50,000	3		3
£50,001 - £100,000			
£100,001 - £150,000	1		1
£150,001 - £200,000			
>£200,000			
Total number of exit packages by type	6		10
Total cost (£000s)	290		290

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

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

	2022/23		2021/22	
	Payments agreed number	Total value of agreements £000	Payments agreed number	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Contractual payments in lieu of notice	0	0	2	7
Total	0	0	2	7

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
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3.3.16 Staff turnover

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

3.3.17 Equality, diversity and inclusion

You can find out more about our approach to equality, diversity and inclusion, including our performance against national targets, barriers we have identified and our plans to overcome them in our dedicated Equality Report in Section 3.8 of this report, or by visiting our website at www.shsc.nhs.uk/about-us/equality-diversity-and-inclusion.

3.4 Code of Governance Disclosures

3.4.1 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 of Directors recognises that the purpose of the NHS Foundation Trust Code of Governance published 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, revised in July 2014, is based on the principles of the UK Corporate Code issued in 2012. The Code of Governance revised in 2022 will apply to the reporting process in 2023/24.

3.4.2 Application of the main and supporting principles of the Code of Governance

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

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

3.4.3 Compliance with the provisions of the Code

SHSC has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012 [*the revised Code 2022 will be used for the 2023/24 annual report*]. In 2022/23 the Trust complied with all relevant requirements of the Code. The Trust has moved away from four-year terms for non-executive directors to three-year terms for newly appointed directors. Measures put in place to comply with the requirements of the Care Quality Commission inspections in 2019/20 and 2020/21 are well developed and the organisation has retained System Oversight Framework (SOF) segment 3 throughout the year.

3.4.4 Disclosure of corporate governance arrangements

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

A1.1	Statements on how the Board of Directors and the Council of Governors operate, including high level statements of which types of decisions are to be taken by each one of them and which are to be delegated to the management by the Board of Directors, are contained in Sections 3.1.8 and 3.1.28 of this report. A statement describing how any disputes between the Council of Governors and the Board of Directors will be resolved is contained in Section 3.1.28.
A.1.2	The names of the Chair, the Deputy-Chair, the Chief Executive, the Senior Independent Director, Chairs and members of the Board of Directors' Remuneration and Nomination Committee, the Council of Governors' Nominations and Remuneration Committee and the Audit and Risk Committee are contained in Sections 3.1.2, 3.1.3, 3.1.11 and 3.1.28.4.4 of this report. The number of meetings of the Board of Directors, its committees and the attendance by individual Directors are shown in Sections 3.1.9 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 3.1.28.2 of this report. The number of meetings of the Council of Governors and the individual attendance by Governors and Directors is also contained in Section 3.1.28.2 [New Foundation Trust Annual Reporting Manual (FT ARM) required disclosure]
B.1.1	<p>The Board of Directors considers the following voting Non-Executive Directors to be independent in character and judgement:</p> <ol style="list-style-type: none"> I. Sharon Mays (Chair) II. Anne Dray III. Richard Mills (retired February 2023) IV. Heather Smith V. Dr Olayinka Monisola Fadahunsi-Oluwole VI. Owen McClellan VII. Mark Dundon <p>The Board of Directors holds this view in relation to all of the above - mentioned directors for the following reasons:</p> <ul style="list-style-type: none"> • 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

	<p>run by the Trust nor are they a member of the Trust's pension scheme</p> <ul style="list-style-type: none"> • 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	<p>Contained in Sections 3.1.12 of this report is a description of each director's expertise and experience. In addition, it also contains information about the length of appointments of the Non-Executive directors. A statement is contained in 3.1.15 on the Board of Directors' balance, completeness and appropriateness. Information about how Non-Executive Director appointments may be terminated is contained in Section 3.1.28.4.4. [new FT ARM required disclosure]</p>
B.2.10	<p>An explanation of the work of the Remuneration and Nomination Committee which oversees the appointment process of executive members of the Board of Directors can be found in Sections 3.1.11.1.4 of this report. The work of the Nominations and Remuneration Committee of the Council of Governors, including the process it has used in relation to Board of Director appointments together with an explanation of whether a search consultancy was used in the appointment of the Chair or the Non-Executive directors, is contained in Section 3.1.28.4.4 of this report [new FT ARM required disclosure]</p>
B.3.1	<p>The Trust Chair's other significant commitments and any changes to them during the year are contained in the Directors' Register of Interests referred to in Section 3.1.14 of this report.</p>
B.5.6	<p>Governors have been kept informed about the Trust plans objectives and strategy including revisions to the strategic objectives and detail on engagement as part of system strategy and governance changes. See section 3.1.28.4.3 of this report.</p>
New FT ARM disclosure	<p>The Council of Governors have not had to exercise its powers under paragraph 10c of Schedule 7 of the NHS Act 2006 during the financial year</p>
B.6.1	<p>A statement on how the performance of the Board of Directors, its Committees and individual Directors was evaluated is contained in Section 3.1.15 of this report.</p>
B.6.2	<p>Relating to external evaluation of the Trust Board and governance of the Trust a number of activities have taken place. The Board of Directors undertook a Well-Led review during the year with external support from NHS England. The outcome was reported to the Quality Board (CQC and NHSE) monitoring the improvement programme put in place in response to CQC inspections between 2019 and 2022. In addition, 360 Assurance, the Trust's internal auditors conducted a number of governance reviews. Following each review detailed actions plans were completed and monitored as appropriate.</p>

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 3.1.5 and 3.6 of this report and the approach taken to quality governance is detailed in the Annual Governance Statement in Section 3.7.
C.2.1	A report that the Board of Directors has conducted a review of the effectiveness of the Trust's system of internal controls is contained in Section 3.1.11.1 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 3.1.11.1.3 of this report.
C.3.5	The Council of Governors has not refused to accept the recommendation of the Audit and Risk Committee on the appointment of an external auditor, and this matter is therefore not reported on.
C.3.9	An explanation of the work of the Audit and Risk Committee can be found in Section 3.1.11.1 which includes any significant statements the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed, It also contains an explanation of how it has assessed the effectiveness of the Trust's external audit process and details of the Trust's external audit contract as well as information about any non-audit work that may have been commissioned.
D.1.3	Details regarding Director remuneration can be found within the Remuneration Report in Section 3.2 within the salaries and allowances table.
E.1.4	Members who wish to communicate with governors or directors may do so via the Trust's website where contact details are clearly stated.
E.1.5	Board members, and in particular Non-Executive Directors, develop an understanding of the views of governors and members through their attendance at meetings of the Council of Governors. They are further informed of the activities of the Council of Governors through Board of Directors meeting updates on the affairs of the Council of Governors and Trust's members. Board members are apprised of members' opinions at the Annual Members Meeting where views are canvassed. Further details on how the Board of Directors canvasses the views of governors and members can be found in Section 3.1.28 of this report.
E.1.6	The Board of Directors monitors membership and engagement through monthly reporting processes. Information on monitoring how representative the Trust's membership is and the level and effectiveness of member engagement is contained in Section 3.1.29 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 3.1.29.1.

	<p>The Council of Governors has not exercised their power under paragraph 10c of Schedule 7 of the NHS Act 2006, and this matter is therefore not reported on.</p> <p>A statement from the Directors that the business is a going concern, together with supporting assumptions or qualifications as necessary, is contained in Section 2.2.6 of this report.</p>
Additional FT ARM requirement	Detail on eligibility for membership, numbers of members broken down constituency and detail on membership strategy and engagement are contained in Section 3.1.29.
Additional FT ARM requirement (based on FReM requirement)	The declarations of interest for Board of Directors and Council of Governors outline any directorships or other material interests in companies held by Board members or Governors, where those parties might do business, or seek to do business with the Trust. The registers are publicly available on the website.

3.5 NHS England's NHS System Oversight Framework

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

The framework looks at six themes:

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

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

3.5.1 NHS System Oversight Framework Segmentation

The Trust was moved into segment three, from segment four by 31 March 2022, this has been retained in 2022/23.

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

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 England.

NHS England, 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, other items of comprehensive income and cash flows for the financial year.

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

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

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

As far as I am aware, there is no relevant audit information of which the foundation Trust's auditors are unaware, and I have taken all the steps that I ought to have taken

to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the NHS Foundation Trust Accounting Officer Memorandum.

Jan Ditheridge
Chief Executive
Date: 28.06.2023

3.7 Annual Governance Statement

3.7.1 Scope of responsibility

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

3.7.2 The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

3.7.3 Capacity to handle risk

3.7.3.1 Senior Leadership and Structure

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

The posts of Executive Director of Nursing, Operations and Professions, Executive Director of Finance, IMST and Performance, Executive Medical Director, Executive Director of People, Director of Strategy (non-voting) and the Director of Corporate Governance (Board Secretary non-voting) have remained in place throughout 2022/23.

The Executive Director of Nursing, Operations and Professions was in post until February 2023 and was on secondment to NHS England during January 2023. From January and for the remainder of the financial year the role was covered by her deputies as interim Executive Director of Nursing and Professions and interim Director of Operations and Transformation (non-voting). At the end of the financial year substantive recruitment was underway.

3.7.3.2 Risk management roles of leaders

The Trust's corporate and clinical governance teams provide leadership, support, guidance and advice for all matters relating to risk management and corporate and clinical governance. 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, placement 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.

3.7.3.3. Staff training

Staff training and development needs with regards 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 and infection control). More specific training is provided, dependent upon the individual's job role or work location, and includes incident reporting and investigation, Safeguarding Adults and Children, Mental Health Act, Mental Capacity Act, First Aid and Life Support (including resuscitation), Clinical Risk Assessment and Management, Medicines Management and Respect (managing violence and aggression). Development and training needs will be reflected in personal development plans (PDPs) over and above mandatory training.

Overall compliance with mandatory training was at end of March 2023 87.35%

Of the 30 subject areas on the main Trust matrix

- 1 exceeded 95% compliance
- 11 exceeded 90% compliance
- 4 exceeded 85% compliance
- 2 exceeded 80% compliance
- 12 were below 80% - and have recovery plans in place.

Mandatory training is kept under continuous review with floor to senior level reporting and monitoring in place. Individuals and managers receive reminders throughout the year, individuals can see their own data, and managers are able to see data for their teams.

3.7.3.4 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 have included:

Operational learning mechanisms

- Fundamental standard visits for inpatient services
- Culture and Quality visits for all other clinical services
- Blue light notices for safety critical alerts into teams
- Significant event analysis reports, to support teams to reflect on incidents and draw wider learning.
- Learning drawn from complaints and concerns
- Learning from our engagement leads – “You said, we did”
- Bitesize safeguarding online open sessions
- Lessons Learnt Staff Bulletin (Quarterly)
- Care Opinion and Friends/Family Test
- Mortality Reviews and Structured Judgement Reviews
- Complaints thematic review
- Claims thematic review
- Quality Improvement Forum
- Safeguarding supervision (group)
- Service based development forums

Governance

- Daily Incident Huddle (where all incidents across SHSC are reviewed and follow up agreed)
- Themes of the month report from the incident huddle, shared across SHSC teams
- Prevention of Future Death notices, learning from coroners court hearings
- Serious Incident Reports
- Section 42 enquiries (safeguarding investigation)
- Weekly investigation panel to review all investigations and reports, supporting timely delivery, providing critique and challenge to draw out clear learning and improvement
- Clinical Quality and Safety Group
- Safeguarding Assurance Group
- Least Restrictive Practice Oversight Group
- Commissioned External reviews to improve safety and encourage innovation
- Quality Assurance Committee meetings and Flash Reports for the Board of Directors
- Team and clinical directorate governance meeting reports and events
- 48hr reports leading to Significant Event Analysis Reports with reflective learning
- Clinical Executive Panel (monthly review with directorates of patients whose needs are not being well met by the system)

Strategic /board oversight

- Trust review and response to national reports e.g. Ockenden Report
- Board development learning e.g. Ockenden and Edenfield

3.7.4. The risk and control framework

3.7.4.1 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 was refreshed and approved by the Audit and Risk Management Committee and the Board of Directors in May 2021 and will be refreshed and updated for approval in 2023. It describes the Trust’s strategic approach to safety and risk management; it also sets out the Trust’s governance arrangements, together with defining levels of authority, accountability, responsibility and escalation for risk management.

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 5x5 risk grading matrix based upon guidance produced by the former National Patient Safety Agency.

High level risks rated 12 or above as well as risks which are considered to affect more than one directorate (which may be below 12) are considered for entry onto the Corporate Risk Register. Risks are recorded on an electronic risk management database (Ulysses Risk Management System), which is separated into teams 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 level. Each directorate has a risk register lead responsible for managing and maintaining their risk register. The Corporate Risk Register is administered by the Head of Board Assurance reporting to the Director of Corporate Governance (Board Secretary).

Risks on the Corporate Risk Register (CRR) are overseen by lead Directors, received and monitored through the Board sub committees at which confirm and challenge takes place on controls, assurances, gaps and actions, and the CRR is received at each public Board of Directors meeting.

As at 31 March 2023, there were 24 risks on the Corporate Risk Register the table below outlines those scoring 15 or above at that time and the mitigations in place to address them:

Highest risks as at 31 March 2023	Mitigations
Risk related to failure to deliver the required level of Cost Improvement Plan (CIP) for 2022/23. New in March 2023 (16)	<ul style="list-style-type: none"> • CIP programme board and working groups • Transformation projects programme board and benefits realisation monitoring and oversight • Performance Management Framework

	<ul style="list-style-type: none"> • Business planning systems and processes including Executive oversight • Part of routing reporting to board, its committees and to Integrated Care Board and NHS England
Risk to capacity and morale of staff, related to the Local Authority (LA) serving notice of intention to withdraw delegated social work and social care functions and associated LA workforce. (16)	<ul style="list-style-type: none"> • Joint support structures and leadership in place with the local authority • Governance in place led by the LA with participation from the Trust • Planning and implementation group • Communication with staff affected and support in place <p>Work is underway to de-escalate this risk and to reframe it around safe transfer of cases as the functions have now moved to the LA</p>
Risk related to demand for Gender Identity Service greatly outweighing the resource/capacity of the service resulting in high numbers waiting and lengthy waits (16)	<ul style="list-style-type: none"> • Project steering group in place • Additional investment in place • Developing links with primary care projects to support them to take the lead in diagnostics and support on the pathway • Service line working within NHSE guidelines and service specifications. • Sharing of best practice • Recruitment
Risks related to ligature anchor points – two separate risks (clinical and environmental/estates) (both scoring 15)	<ul style="list-style-type: none"> • Policies and standard operating procedures (SOPs) • Risk assessments • Health and safety checks on inpatient environments and heat maps to identify areas of greater risks • Programme of work to remove ligature points and address blind spots and associated bed commissioning arrangements in place whilst the work is completed. • Clinical risk training • CQC MHA oversight through visits reports and action plans • MH Legislation committee oversight • Nurse alarm systems • Contemporaneous record keeping

<p>Risk related to demand for the Sheffield Adult Autism and Neurodevelopmental Service (SAANS) greatly outweighing the resource and capacity of the service resulting in high numbers waiting and lengthy waits. (15)</p>	<ul style="list-style-type: none"> • Recover plan with board committee oversight • Engagement with PLACE on resource requirements and development of pathways • Review of clinical processes • Governance meetings • Engagement with primary care to ensure safe management of those on the waiting list • Recruitment
<p>Risk related to service users being unable to access secondary mental health services through the Single Point of Access within an acceptable waiting time due to an increase in demand and insufficient clinical capacity; and in the absence of an assessment, the level of need and risk presented by service users not being quantified and potentially escalating without timely intervention (15)</p>	<ul style="list-style-type: none"> • Referral triaging processes • Attendance of nurse consultant at daily crisis huddles to report on exceptions to support triaging within 24 hours • Availability of a range of assessment mechanisms • Crisis support communication with those waiting for assessment. • Targeted recruitment • Flow processes • Recovery plan monitored by Quality Assurance Committee
<p>Risk of insufficient beds to meet service demand caused by bed closures linked to the eradication of dormitories and ward refurbishment resulting in a need to place service users out of city (15)</p>	<ul style="list-style-type: none"> • Out of area reduction programme reporting through board committees • Out of area bed approval processes • Flow co-ordination processes • Revised clinical modelling • Daily operational and clinical leadership oversight • Daily crisis and acute care huddles • Weekly meetings to support discharge of those who are clinically ready • Processes in place to ensure quality of care provided by out of area providers

The Board of Directors reviews its risk appetite annually, aligning it to revised strategic objectives and determines whether an individual risk or a specific category of risks are considered acceptable or unacceptable based on the circumstances facing the Trust. The updated risk appetite will be reflected in the review of the Risk Management Strategy and reflected in the Board Assurance Framework (BAF) and Corporate Risk Register.

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 relating to innovation, providing the innovation is consistent with the achievement of patient safety and quality improvements.

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

Training has been put in place to support risk owners in updating their risks and support is available on an ongoing basis. A more systematic approach to training will be put in place in 2023/24.

In 2022/23 the Trust commissioned a review of its systems processes, capacity and capability around risk to support ongoing improvement. This identified areas of good practice and areas for improvement which are being taken forward and monitored at Audit and Risk Committee and Board. Section 3.7.6 outlines detail on the internal audit on risk which provided a split assurance.

Work is taking place as a system and through the collaborative to develop board assurance frameworks and risk registers which will be reflected where appropriate back into our own documents.

3.7.4.2 Board Assurance Framework (BAF)

Assurance is provided to the Audit and Risk Committee every quarter that risks are being addressed and actions completed through updates to the Corporate Risk Register and BAF.

The BAF outlines the Trust's strategic aims and objectives and details principal risks which may inhibit delivery of those objectives. It is used to monitor the levels of assurance received at Board of Directors and in committees regarding the robustness of the Trust's system of internal controls and whether or not the risks are being effectively managed.

The BAF was reviewed at each Audit and Risk Committee meeting following receipt at relevant Board of Directors committees and was received for assurance at public board meetings.

All of the Board of Directors and committee reports are required to demonstrate links with the BAF and detail on key risks and how these are being managed.

The 2022/23 BAF identified eight strategic risks. During the year movement took place on risk descriptors to better reflect the current position and there was separation of some risks at Quality Assurance Committee and Finance and Performance Committee to support more focussed monitoring.

The Trust is compliant with its CQC registration and will be declaring compliance against Provider licence risk requirements. The Trust ended the financial year 2021/22 with a move from System Oversight Framework (SOF) segment 4 to SOF segment 3, this was retained in 2022/23, however the Trust ended the financial year 2022/23 with a move to system monitoring, from regional oversight in recognition of the improvements demonstrated through the year.

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

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

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. Reporting around Human Rights and Equality Diversity and Inclusion have been strengthened in 2022/23 and detailed board development sessions held.

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

The Board of Directors has approved the 'Green Plan' as part of its sustainability strategy and commitment to this agenda.

3.7.4.3 Public stakeholder involvement in managing risks

The Trust works to continuously improve its approach to engaging service users, carers, governors and partners to learn from individuals' experiences and enable continuous quality improvements in all areas of our business; this has included particularly effective partnerships with organisations such as Flourish to broaden engagement with our communities.

Service users, carers, governors and partners engage in the Trust's governance structures and actively take part in groups across the organisation to contribute to planning and service improvement and significant engagement has taken place to support developed of new Carer's Strategy.

The number of service user and carer networks, co-led by service users and carers, continues to develop, enabling services to improve their care in line with service user and carer experience feedback and the Board of Directors held a joint development session with the Lived Experience Group during the year.

Staff networks continued to be strengthened during the year providing invaluable insight in a wide range of areas.

Partnership working has continued through the South Yorkshire Integrated Care Board, Sheffield Health Care Partnership, South Yorkshire Mental Health, Learning Disability and Autism Provider Collaborative. The Trust's Chief Executive is the lead CEO for the Mental Health, Learning Disability Autism Provider Collaborative.

As a Foundation Trust we have 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 have been asked for views on topics such as updated strategic priorities, annual operating plan and quality account priorities. Governors have participated in system governance change sessions with colleagues from other organisations.

A Governor's Development Programme was in place in 2022/23 with detail on activities outlined in section 3.1.28.4.

In addition to this Chair drop in sessions continued and Governor observation of Board sub committees was made available for Governors.

3.7.4.4 Quality governance arrangements

Over 2022/23 we have continued to improve the quality governance arrangements within SHSC to ensure that the essential quality and safety standards required are met by the services we deliver.

We have strengthened our approach to audit and assurance of some of the key standards of care we deliver through the implementation of the Tendable clinical audit platform across all our bed-based services. The audits have been customised to measure our compliance with our policy standards across a range of areas including restrictive practice, physical health and infection prevention and control and service user experience.

Internal audit assessed our incident management system with "significant assurance" and safeguarding processes were assessed with "limited assurance", resulting in a small number of actions aligned to updating personal information in our electronic patient record.

Learning from a range of governance and assurance processes informs our Quarterly Learning Report and learning hub which is a fully accessible compendium of incident details and learning outcomes. A monthly learning bulletin is circulated to all staff and shared via the learning hub.

We have a range of regular visiting programmes within SHSC which enable us to review the quality and safety of services delivered, hear from the staff that work within them and understand the experiences of service users receiving care from them.

Culture and Quality Visits

Any service that delivers patient care can have a closed culture. All services have been assessed for risk of closed culture based on the criteria identified within the work completed by CQC on closed cultures and then prioritised based on risk profile. During 2022, all but one area identified as 'high risk' received a Culture and Quality visit.

Fundamental Standards of Care (FSC) Visits

Initially introduced in October 2021 the visits were designed to measure the extent to which the standards of care set out within key SHSC Policies and CQC regulatory requirements are delivered within inpatient settings. This programme of visits is an annual activity that reports to Quality Assurance Committee.

Board Visits

The principles for board visits are to:

Listen – directly service users, carers and to staff in services/teams to hear their views and experiences. In 2022/23 the visits returned to visits on site.

Ask – questions and see the visit as an opportunity to learn more about the service, for example, good practice for sharing and any key issues of concern.

Assure – the information from the visit will support assurance at Board and service level.

In late 2021/22 we reviewed the visit approach and proposed a new methodology which enabled us to better triangulate some of the issues identified through our performance and quality reporting. In 2022/23 we completed 28 Board visits to a range of services across SHSC consisting of bed based, community and rehabilitation provision and corporate areas.

Directorate Performance Reviews

The Trust triangulates service performance across a range of indicators relating to care standards, quality, workforce and finance at service level through a performance framework.

Directorate Performance Reviews take place quarterly, chaired by the Director Finance and attended by the Chief Executive, engaging all members of the executive leadership to positively challenge performance in clinical and corporate services across the organisation.

A number of services have maintained or received accreditation demonstrating our ambition to seek external validation to deliver the best care we can (Forest close, Crisis Resolution Home and Treatment, Specialist Psychology, IAPT)

3.7.4.5. Information governance and data security

We have a range of information governance policies which provide a framework covering the creation, use, safe handling and storage of all records and information. The management and monitoring of information risks is the responsibility of the Trust's Senior Information Risk Owner (SIRO) and information risks and incidents are reviewed through the Data and Information Governance Group which is accountable to the Audit and Risk Committee.

Following our July 2022 Data Security and Protection Toolkit (DSPT) submission, a plan was agreed with NHS Digital to ensure an overall outcome of achieved standards by 30th June 2023.

The Trust continues to work to implement further improvements to enhance our performance against DSPT requirements. An Information Security Group meets monthly and is focussed on the requirements of the toolkit to support the organisation to be 'audit ready' in all areas.

Information governance training is included as part of the core training for new starters and all staff are required to undertake annual information governance training. Other specific training sessions have been provided to staff.

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

During 2022/23 one incident was reported to the Information Commissioners Office (ICO). The incident was reviewed and the ICO decided that no further action was necessary.

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

The Trust has a robust committee governance structure in place with the following committees reporting into the Board of Directors:

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

Terms of Reference for all committees have been approved by the Board of Directors, reviews of effectiveness undertaken and annual reports from the committees for 2021/22 received at Board of Directors during the year. Work is well underway on the annual reports from committees for 2022/23.

The Trust continued to review its operational efficiency metrics throughout the year, as described earlier through the Integrated Performance and Quality Report and Performance Framework and new KPIs are due for discussion and approval through the committees and Board of Directors early in 2023/24.

The organisation has reviewed and continues to review its leadership at various levels. An internal leadership development programme was launched in February 2022 aiming to bring current and future leaders together to challenge their thinking and learning. This will continue in 2023/24.

Financial sign-off of budgets and performance management arrangements are in place reporting up to the executive team. Budget managers are provided with monthly budget reports for their areas of responsibility to assist them in undertaking this role. Performance management reviews involve business partners from within the finance directorate to ensure leaders at all levels are properly supported.

Improvement in triangulation of data has continued to take place across the Board sub committees with escalation taking place between committees and evidenced through our Alert, Advise Assure (AAA) reports to the Board of Directors.

Board members have participated on a range of committees to support cross fertilisation in discussion and around challenge. Recovery plans are received and monitored at the appropriate committees with clear evidence of confirm and challenge taking place.

During 2022/23 we have continued to submit returns to the CQC in relation to the conditions on registration at Firshill Conditions, confirming that the unit remains paused. An application to vary conditions at Firshill has been approved and conditions 2 – 7 removed resulting in the issuing of a new registration certificate. Condition 1 remains in place, which outlines the need for CQC authorisation should a request to admit a service user to the service be required. The net effect of these changes is that the site is registered without restriction as a community base but with a condition limiting potential inpatient admission.

In June 2023 we outlined at the Health Overview and Scrutiny Sub-Committee at the City Council, our partnership proposals to improve care for people with Learning Disabilities and Autism who need specialist support due to more complex needs at the. Alongside our Integrated Care Board colleagues, we described options for an accessible, flexible and appropriately intensive community model of care, with an enhanced multi-disciplinary team able to support people to live at home in their communities.

The Committee could see that we had actively involved service users, their families, experts by experience, and local communities in planning how we work together to care for people with Learning Disabilities and Autism with more complex needs. They were supportive of us continuing to engage widely in this way as we further develop plans for new models of care and services for people with Learning Disabilities and Autism.

As part of Well-Led improvement, finance reviews by NHSE continued to take place with CQC/NHSE oversight of our Quality Improvement journey continued throughout the year which provided an opportunity for extended challenge and verification resulting in the Trust moving from System Oversight Framework (SOF) segment 4 to SOF segment 3 at the end of the 2022/23 financial year and we have ended the current financial year, 2023/24, with a move to local system oversight which we welcome.

3.7.6. Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports and I met with internal and external auditors periodically (planned) throughout the year. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board and its assurance committees as described in this statement, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Committees provide 'Alert, Advise, Assure' (AAA) reports, alongside the minutes, after each meeting on the significant matters for consideration, these may include issues of specific interest, but will also include control issues or areas where there are gaps in assurance.

The Audit and Risk Committee provides assurance to the Board of Directors through objective review and monitoring of the Trust's internal control mechanism, such as financial systems, financial information, compliance with the law, governance processes and emergency planning among others. It monitors the effectiveness of the systems in place for the management of risk and governance, and delivery of the Board Assurance Framework. The committee is also responsible for ensuring the integrity and security of Trust data.

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

The Finance and Performance Committee provides assurance to the Board of Directors on the management of the Trust's finances and financial risks, and in relation to performance matters which have developed through the year, as well as progress against transformation projects.

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

The Mental Health Legislation Committee provides assurance to the Board of Directors on statutory and regulatory compliance in respect of Mental Health and Human Rights legislation.

The Remuneration and Nomination Committee makes determination of the composition, balance, skill mix and succession planning of the Board of Directors, as

well as advising on appropriate remuneration and terms and conditions of service of the Chief Executive, executive directors and directors.

The Non-Executive Directors sit on more than one committee to increase integrated discussions on quality and resource assurance with issues escalated between committees and the Board are kept informed through the AAA reports which is supported by the integrated approach provided through the Integrated Performance and Quality Report (IPQR) received at Committees and Board of Directors.

Our 'Back to Good' programme has continued to provide assurance focussed on or related to areas identified for improvement through our CQC report. There is a programme board in place which actively monitors progress and provides regular reports to our assurance committees and directly to the Board of Directors. The Quality Oversight Board led by regional partners and attended by CQC, provides oversight of our 'Back to Good' journey and the Trust has been commended for significant improvements made during the year.

The clinical audit programme also supports my review of the effectiveness of internal control. This is received and approved at the Quality Assurance Committee.

The role of the assurance committees in maintaining and reviewing the Trust's systems of internal control are described above.

The internal audit programme overseen at the Audit and Risk Committee provides a further mechanism for supporting this. 360 Assurance, our internal auditors, identify high, medium and low priority recommendations within their audit reports, which are monitored in an internal audit recommendations tracker and reviewed frequently both internally by the Executive Team and with our auditors.

The following reports were received with Limited Assurance:

- Grievances and Disciplinarys
- Health and Safety reporting (including Central Alerting System (CAS) alerts) – one high priority finding.
- Embedding robust safeguarding practice within clinical services – one high priority finding (prior year audit).
- Recruitment – one high priority finding (prior year audit).
- Estates: Health Technical Memoranda (HTMs) – one high priority finding (prior year audit).

The following reports were received with Moderate Assurance

- Data Security Standards (NHS Digital rating)

The following reports were received with Significant Assurance:

- Complaints
- Infection prevention and control

The following reports were received with split Significant/Limited assurance:

- Strategic risk management
- Cost Improvement programme

In summary, areas of progress across the year include an overall stable executive leadership team and operational leadership arrangements with the right skills and expertise:

- Robust Board of Directors development plan (which has included external support) alongside executive development, non-executive development, governor development and staff leadership programmes
- Well established Alert, Assure Advise (AAA) reports from Committee Chairs to Board of Directors supporting focussed discussion on key areas of concern.
- AAA reporting has been introduced from Tier II groups (groups that report into our board-sub committees) to the board sub-committees providing annual reports on effectiveness.
- The BAF for 2022/23 has undergone significant input from board members in its development and refinement – the document and the assurance provided by it receive confirm and challenge at the Board sub committees.
- A risk oversight group was established in year providing additional rigour and confirm and challenge.
- Improved processes and outcome for closure of Internal and External Audit actions.
- Continuing to embed the Performance Framework and the performance management reviews which include outcome of Well-Led self-assessments
- The work of the Back to Good Board ensuring that improvement actions are completed in time and escalating if appropriate.
- Continuing programme of Quality Improvement with the Board of Directors having received development sessions and regular reports on progress.
- We have retained external support in our development work throughout the year which will continue into 2022/23 and has been of significant benefit.
- Support has continued to be provided to report authors to improve the quality of reports received at committees and Board of Directors with further work planned in the coming year.
- Triangulation of data and performance information with board and executive visits and through cross reporting from the board sub committees has improved across the board and will be strengthened further in 2023/24 through a refreshed board visits programme.
- Policy Governance arrangements remain strong with reporting through to board sub committees as appropriate.
- Work has taken place to identify and track action plans and third-party reports and their reporting route. This has been supported by the Tier II annual reports from the sub committees reporting into the board sub committees and reporting on this is expected to be strengthened as a result in 2023/24.

- Whilst there were recognised significant internal control weaknesses identified in the early part of the previous financial year, given the concerns raised about the Assessment and Treatment Service (ATS) at Firshill Rise the previous Section 29A enforcement notice has been closed, the unit remains closed and the Health Overview and Scrutiny committee has been updated on, and has supported planned next steps in respect of plans for delivery of community services provision.
- Our overall CQC rating has moved from Inadequate overall to Requires Improvement Our current CQC ratings are found here: <https://www.cqc.org.uk/provider/TAH>
- Movement of the organisation from System Oversight Framework (SOF) segment rating 4 to SOF segment 3 at end of the previous financial year and to system oversight at the end of the financial year 2022/23
- The Board of Directors has delivered a comprehensive Board self-assessment on Well-Led which has been recognised and commended by NHSE who supported confirm and challenge around the findings. The Board received a paper in March detailing the work and next steps for monitoring of key areas of development.
- Whilst we have been able to demonstrate improving systems and controls in a number of areas and have received an overall opinion from Internal Audit of significant assurance, we received a number of limited internal audit assurance reports this year, however out of these there were only four high priority recommendations.

The Head of Internal Audit (HOIA) provides me with an opinion based on an assessment of the design and operation of the underpinning assurance framework and supporting processes and an assessment of the individual opinions arising from risk-based audit assignments contained within the internal audit risk-based plan that have been reported throughout the year. The assessment has taken into account the relative materiality of these areas and management's progress in respect of addressing control weaknesses.

The Head of Internal Audit Opinion is based on three elements:

- The design and operation of the BAF and strategic risk management arrangements
- The outcome of individual audit reports
- The extent to which the Trust has responded to audit recommendations.

Head of Internal Audit Opinion

I am providing an opinion of **significant assurance** that there is a generally sound framework of governance, risk management and control designed to meet the organisation's objectives, and controls are generally being applied consistently.

In providing my opinion three main areas are considered:

- Board Assurance Framework (BAF)

- individual assignments
- follow up of actions.

I am providing significant assurance for the BAF.

I am providing moderate assurance for the outturn of individual audit assignments. We have issued a high proportion of limited assurance opinions in 2022/23 and four reports contain high risk findings. This is a higher proportion than we would expect, although all were areas directed by the Trust. It should be noted that the Strategic Risk Management review was partially limited due to risk training, risk escalation, risk appetite and analysis of the risk register.

The 2022/23 plan was heavily weighted towards risk-based reviews at the Trust's request to support its improvement journey. We are providing a moderate assurance opinion on the basis that the Trust directed the plan to known areas for development, but the Audit and Risk Committee should recognise the risk focused nature of the plan and reflect that the core coverage was minimised in doing so, with fewer than normal core reviews in the plan. In agreeing the 2023/24 plan, we suggest a specific review is undertaken of core coverage, in particular the exceptions from the plan (section A2), to ensure the Audit and Risk Committee is sufficiently assured about these areas from other sources.

I am providing significant assurance for the follow up of actions. The position, as at 31 March 2023, demonstrates a first follow up implementation rate of 81% and an overall implementation rate of 98%. This is a significant improvement on previous years' performance.

This opinion should be taken in its entirety for the Annual Governance Statement and any other purpose for which it is repeated.

Conclusion

In my opinion, notwithstanding issues noted in this report and the substantial progress made in addressing the previous significant internal control issues I am assured we have good internal controls in place whilst recognising there is always more work to do. I am assured around the work in place to address areas of weaknesses in control noted by our Internal Auditors and acknowledgement from them of the improvements made in continuing to demonstrate we remain on a positive and demonstrable trajectory of improvement.

To the best of my knowledge, no further significant internal control issues over and above those identified in this report, have been identified within 2022/23.

Jan Ditheridge
Chief Executive
Date: 28.06.23

3.8 Equality Report

SHSC 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 values which form the guiding principles and behaviours for the way we do our work.

Our values are:

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

These values are at the heart of celebrating and promoting the diversity of our organisation. Prioritising equal opportunity is essential to living these values.

We are committed to ensuring that all employees achieve their full potential in an environment characterised by dignity and mutual respect. Within our team's, 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.

3.8.1 Equal opportunity and dignity statement

Our aim is to promote and ensure equality, diversity, and inclusion in all that we do within our diverse organisation.

3.8.2 Key achievements over the past 12 months

- We progressed our work on responding to racism and other hate incidents towards staff from people using our services - we have produced a new procedure and worked with our service inpatient and community services to implement this, we have also worked closely with South Yorkshire Police and the Sheffield City Hate Crime lead

- We have been focusing with our Disabled Staff Network group on improving how staff access reasonable adjustments, we have identified ways of making accessing adjustments easier for staff and managers and have started to make changes
- We have had a focus on Dyslexia in 2022/23, as a result a number of our staff have come forward and been supported with adjustments or to have a dyslexia assessment
- In November 2022 we held our annual Working Together Conference which this year focused on allyship
- We introduced new equality diversity and inclusion development for our leaders as part of our new Developing as Leaders programme
- We completed the Phase II Rainbow Badge initiative leading to development of a detailed action plan to make improvements for LGBTQ+ staff and people who use our services

3.8.3 Find out more

Our annual Equality and Human Rights Report is available on our website at www.shsc.nhs.uk/about-us/equality-diversity-and-inclusion

On this page you will also find our annual Workforce Disability Equality Standard report and action plan, Workforce Race Equality Standard (WRES) report and action plan and our Gender Pay Gap report and action plan.

3.8.4 Modern Slavery

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

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

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

3.9 Sustainability Report

3.9.1 Creating a sustainability narrative and focus

In 2022 SHSC marked the start of the journey for a net zero and cultural transformation of the organisation. Within our Green Plan, a three-year sustainability strategy, we outlined ambitious commitments to meet and exceed National Greener NHS targets for the emissions we control directly to be net zero by 2030, aligning with partner organisations across the city.

The Green Plan has provided us with a strategic framework to deliver sustainable healthcare, reduce inequalities and protect the environment. In 2022/2023 we have continued to develop and progress actions within the Green Plan action plan endeavouring to ensure sustainability is embedded into everything we do. We continue to build knowledge in this field, harness data to inform decision making and develop a narrative to enable inclusive and equitable change. The breadth and pace of the challenge is increasing but we are optimistic that we are positioning ourselves, in collaboration with the South Yorkshire Integrated Care Board and wider partner organisations across the City, to shape and focus on system wide priorities as well as what matters to our staff, our service users, and our communities and the planet.

An example of this collaborative working is the implementation of an E-Bike Hire scheme facilitated by Cycling UK and the Department for Transport. The Making cycling e-asier scheme offers free skills and confidence sessions and e-cycle loans to encourage people to consider e-cycles as an active travel option for everyday journeys. SHSC have been working with other Sheffield Trusts, the South Yorkshire ICB and Cycling UK to provide an active travel scheme in May 2023 to allow NHS staff to try Electric Bikes for a month accessing from an NHS Sheffield E Hub. This will be the first of many collaborations where we can share expertise and deliver joined up projects to support both staff and communities to improve mental and physical wellbeing alongside contributing to a cleaner environment.

3.9.2 The Green Plan: Progress Update

Supporting the SHSC Clinical and Social Care Strategy, the Green Plan's objective is to ensure SHSC provides sustainable healthcare that delivers safe, high quality services that have a lower or beneficial environmental impact. To achieve this, we must empower and equip SHSC staff with the knowledge to embed sustainability into their work and home life. In addition, as an anchor institution we recognise we are in a position as a force for good to promote positive sustainable action across the city.

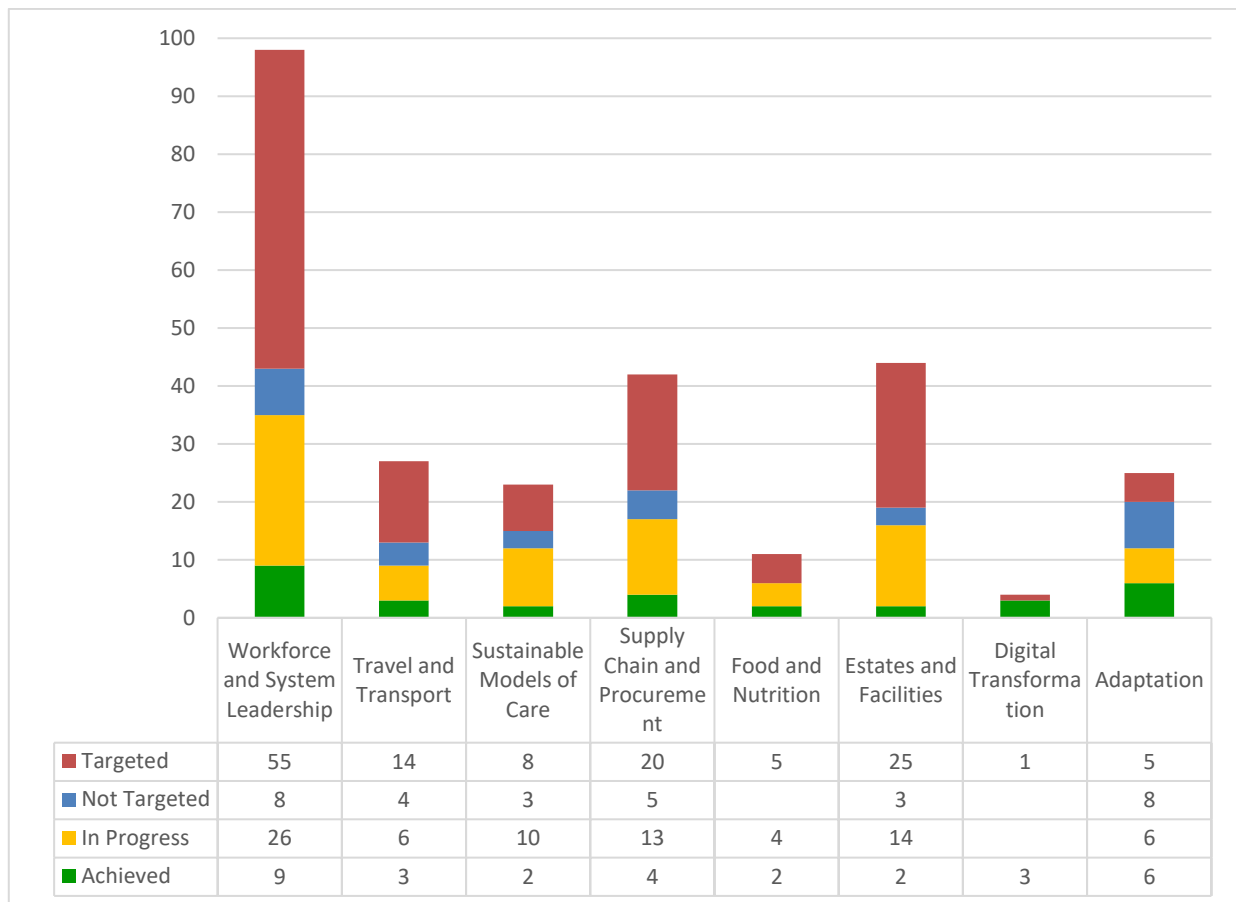
3.9.2.1 Leadership and Governance

Sustainability is embedded within the core Governance structure of SHSC. The Sustainable Development Group, chaired by Phillip Easthope, Executive Director of Finance, and Board of Directors net zero lead for the organisation, was established in 2022/23. The group reports into the Finance and Performance Committee on a quarterly basis and membership includes representation from across all directorates who will each be a workstream lead for the nine areas of focus identified within the Green Plan:

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

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

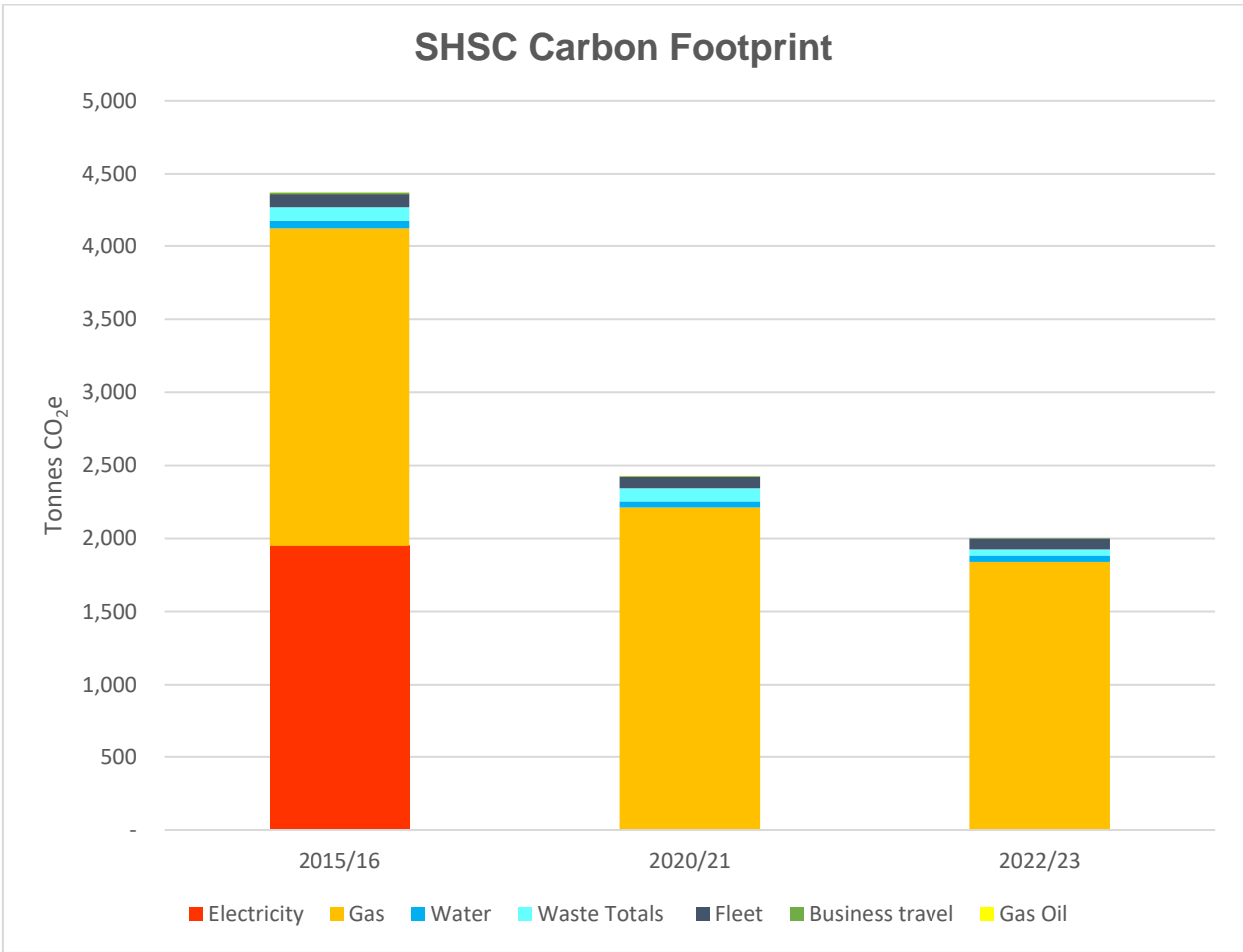
Green Plan action plan progress 2022/23



3.9.3 Our carbon footprint

An urgent and rapid response is required to reduce SHSC’s carbon footprint to net zero by 2030. We are focusing efforts to ensure we are transparent and credible in our approach to transform how we provide services, consume, dispose and travel as an organisation. Priority over the past year has been to build our knowledge and data collection where we are accountable for emissions and identify where we need to take action to make direct changes and influence behaviours or decision making. This includes developing a Sustainable Buildings action plan and estate decarbonisation plan. (See section 3.94 below)

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



tCO ₂ e	2020/21	2022/23	% Change (2020/21 vs 2022/23)
Grid Electricity	-	-	0%
Natural Gas	2,211	1,840	-17%
Gas Oil	0.4	-	-100%
Water	43	44	3%
Waste	90	41	-55%
Fleet	78	74	-5%
Business travel	6	5	-17%
Total	2,428	2,005	-17%

3.9.4 Our Progress, overview of 2022/2023 initiatives

New role - SHSC Sustainability Lead

To support the delivery of the Green Plan we have appointed a new Sustainability Lead reporting directly to the Board of Directors net zero lead, the Executive Director of Finance. The Sustainability Lead will provide comprehensive senior level expertise and be accountable for the operational delivery of a range of cross functional sustainability initiatives. The Sustainability lead will engage with both internal and external stakeholders to promote, monitor and measure our performance against our net zero targets and broader Sustainability deliverables.

Sustainable Buildings Action Plan

We have made progress on one of our priority areas to develop a sustainable buildings action plan which will provide SHSC with a clear set of deliverables to support decarbonisation at each of our sites, inform our Estate rationalisation and provide additional insight to inform our climate change risk assessment to inform adaptation activity. The work has included surveying the SHSC estate including the building fabric, mechanical and electrical systems in Q4 of 2022.

In accordance with the NHS Net Zero Building standard (NHS, Feb 2023) the Estate has been broken into 2600 individual spaces and mapped against the 'tech types' which will allow benchmarking of energy performance against a building that aligns to 'net zero' building requirements. This large piece of work gives a base level of building performance against which we can make strategic decisions about current and future estate.

To enhance Estate and Facilities ability to both measure and manage energy consumption across the SHSC estate, a review of the Building Management System (BMS) that controls heating systems in buildings has been conducted. New software to

provide an improved user interface has been scoped and procured in March 2023. This will allow greater control of heating systems and the use of data analytics to identify areas of high energy consumption to ensure optimal usage that controls excess consumption while maintaining a comfortable building environment. This should provide SHSC with both cost and carbon savings.

New EPR (Electronic Patient Records) System

In line with key priorities outlined within the Green Plan, our new Electronic Patient Record System “Rio” has been procured and will go live Q1 and Q2 2022/23. Improving on the capabilities of our previous in-house system, Rio EPR provides a holistic view of patients within SHSC care allowing data sharing and collaboration across the South Yorkshire ICS. The new system will improve staff experience, be an enabler for providing patient centred care, improve efficiencies and establish opportunities to further digitise our services, reducing paper consumption and preventing unnecessary travel.

Decarbonisation of our Fleet vehicles

We continue to build on our commitments to decarbonise our fleet activity. We have reviewed and reduced the size of our fleet and continue to maximise opportunities to expand our Electric Vehicle (EV) charging infrastructure for our fleet vehicles. Over the coming year we aim to develop a sustainable travel and transport policy, which in conjunction with the new Sustainable Buildings action plan should outline priorities to further decarbonise our travel and transport activities including staff model shifts business and commuting and the potential in the future for staff to access the SHSC EV charging infrastructure.

Looking Ahead to 2023/2024

Policies, business process work

Work is in progress to create and update existing policies, business processes and SOPs to align with the Green plan. This includes updating the sustainable procurement policy, developing new policies for Sustainable Capital Projects, Sustainable Travel and Green Space, and Biodiversity. In addition, we need to continue to integrate sustainability and climate risk as a criterion for value in business planning processes such as governance reporting and business case submissions.

Green Space and Biodiversity

Spring 2023 will bring a focus on planting to improve biodiversity on SHSC sites and include planters on site to bring nature to areas where planting is lacking. This will improve environments for service users and staff.

Estate Decarbonisation Plan

The emissions from our estate form a significant proportion of our carbon footprint. To inform estate rationalisation through alignment of the estates strategy with targets set out in the green plan, a techno-economic assessment is under development with third party support to identify the required interventions at building level to meet our 2030 target for emissions under our control. This will enable strategic decision making and development of a structured programme of works to create a defined pathway to Net Zero.

Section 4.0 Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COUNCIL OF GOVERNORS OF SHEFFIELD HEALTH AND SOCIAL CARE NHS FOUNDATION TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Sheffield Health and Social Care NHS Foundation Trust ("the Trust") for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2023 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by NHS England with the consent of the Secretary of State in March 2023 as being relevant to NHS Foundation Trusts and included in the Department of Health and Social Care Group Accounting Manual 2022/23; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006 (as amended).

Basis for opinion

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

Going concern

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

In our evaluation of the Director's conclusions, we considered the inherent risks associated with the continuity of services provided by the Trust over the going concern period.

Our conclusions based on this work:

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Trust will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

As required by auditing standards, and taking into account possible pressures to meet delegated targets, we performed procedures to address the risk of management override of controls in particular the risk that Trust management may be in a position to make inappropriate accounting entries. We also considered the risk of fraudulent revenue recognition, in particular the risk of inappropriate recognition of variable elements of non-NHS income.

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

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included postings by the Director of Finance and his Deputy and unusual cash journals.
- Performing a search for unrecorded liabilities after year-end to identify and potential missed liabilities by reviewing and sample testing bank statements.
- Reviewing prior year accruals against those posted in current year in order to assess whether any accruals has been missed for the current year-end.
- Assessing the completeness of disclosed related party transactions and verifying that they had been accurately recorded within the financial statements.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the Directors (as required by auditing standards), and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

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

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

Firstly, the Trust is subject to laws and regulations that directly affect the financial statements, including the financial reporting aspects of NHS legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Trust is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, recognising the regulated nature of the Trust's activities. Auditing standards limit the required audit procedures to enquiry of the Directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

Other information in the Annual Report

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

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

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

Annual Governance Statement

We are required by the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the "Code of Audit Practice") to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2022/23. We have nothing to report in this respect.

Remuneration and Staff Reports

In our opinion the parts of the Remuneration and Staff Reports subject to audit have been properly prepared in all material respects, in accordance with the NHS Foundation Trust Annual Reporting Manual 2022/23.

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 133, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to either cease the services provided by the Trust or dissolve the Trust without the transfer of its services to another public sector entity.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

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

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

We have nothing to report in this respect.

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

As explained more fully in the statement set out on page 133, the Accounting Officer is responsible for ensuring that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Under Section 62(1) and paragraph 1(d) of Schedule 10 of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

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

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice to report to you if any reports to the Regulator have been made under paragraph 6 of Schedule 10 of the National Health Service Act 2006. We have nothing to report in this respect.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Sheffield Health and Social Care NHS Foundation Trust for the year ended 31 March 2023 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice.

Rashpal Khangura

for and on behalf of KPMG LLP
Chartered Accountants

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

29 June 2023

Section 5.0 Annual Accounts

Foreword to the accounts

Sheffield Health and Social Care NHS Foundation Trust

These accounts, for the year ended 31 March 2023, have been prepared by Sheffield Health and Social Care NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

After making enquiries and reviewing independent evaluations, the Directors have a reasonable expectation that the services provided by Sheffield Health and Social Care NHS Foundation Trust will continue to be provided by the public sector for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

Signed

Name Jan Ditheridge
Job title Chief Executive
Date 28 June 2023

The Accounts of Sheffield Health and Social Care NHS Foundation Trust for the period ending 31 March 2023 follows the four primary statements:

- the Statement of Comprehensive Income (SOI) • the Statement of Financial Position (SOFP)
- the Statement of Changes in Taxpayers' Equity (SOCITE)
- the Statement of Cashflows (SCF) are presented first. These are followed by the supporting notes to the accounts.

Note 1 outlines Sheffield Health and Social Care NHS Foundation Trust's accounting policies and procedures. Subsequent notes provide further details and disclosures explaining some of the main items reflected on the four primary statements above. The notes are cross referenced on the relevant statements.

The financial statements (accounts) were approved by the Board on 28th June 2023 and signed on its behalf by:

Signed

Name Jan Ditheridge
Job title Chief Executive
Date 28 June 2023

Statement of Comprehensive Income

		2022/23	2021/22
	Note	£000	£000
Operating income from patient care activities	3.1	137,970	130,481
Other operating income	3.3	22,571	21,368
Operating expenses	6.1	<u>(160,901)</u>	<u>(149,667)</u>
Operating surplus/(deficit) from continuing operations		<u>(360)</u>	<u>2,182</u>
Finance income	10	1,278	29
Finance expenses	11	(97)	(25)
PDC dividends payable		<u>(2,226)</u>	<u>(1,765)</u>
Net finance costs		<u>(1,045)</u>	<u>(1,761)</u>
Other gains / (losses)	12	-	(1)
Share of profit / (losses) of associates / joint arrangements		-	-
Gains / (losses) arising from transfers by absorption		-	-
Corporation tax expense		-	-
Surplus / (deficit) for the year from continuing operations		<u>(1,405)</u>	<u>420</u>
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations		-	-
Surplus / (deficit) for the year		<u>(1,405)</u>	<u>420</u>
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	(155)	(516)
Revaluations	17	1,269	5,946
Share of comprehensive income from associates and joint ventures		-	-
Fair value gains / (losses) on equity instruments designated at fair value through OCI		-	-
Other recognised gains and losses		-	-
Remeasurements of the net defined benefit pension scheme liability / asset	37	3,474	2,407
Gain / (loss) arising from on transfers by modified absorption		-	-
Other reserve movements		(3,982)	(394)
May be reclassified to income and expenditure when certain conditions are met:			
Fair value gains/(losses) on financial assets mandated at fair value through OCI		-	-
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	12	-	-
Foreign exchange gains / (losses) recognised directly in OCI		-	-
Total comprehensive income / (expense) for the period		<u>(799)</u>	<u>7,863</u>
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		(1,405)	420
Remove net impairments not scoring to the Departmental expenditure limit		(1,395)	911
Remove (gains) / losses on transfers by absorption		-	-
Remove I&E impact of capital grants and donations		170	37
Prior period adjustments		-	-
Remove non-cash element of on-SoFP pension costs		133	443
Remove net impact of inventories received from DHSC group bodies for COVID response		-	-
Remove loss recognised on peppercorn lease disposals		-	-
Remove loss recognised on return of donated COVID assets to DHSC		-	-
Adjusted financial performance surplus / (deficit)		<u>(2,497)</u>	<u>1,811</u>

Statement of Financial Position

		31 March 2023	31 March 2022
	Note	£000	£000
Non-current assets			
Intangible assets	14	4,478	1,363
Property, plant and equipment	15	64,240	55,239
Right of use assets	18	7,628	
Investment property	19	-	-
Investments in associates and joint ventures	20	-	-
Other investments / financial assets	21	-	-
Receivables	24	414	4,434
Other assets	26	-	-
Total non-current assets		76,760	61,036
Current assets			
Inventories	23	54	81
Receivables	24	12,357	8,034
Other investments / financial assets	25	-	-
Other assets	26	-	-
Non-current assets for sale and assets in disposal groups	27.1	12,000	12,000
Cash and cash equivalents	28	53,715	58,757
Total current assets		78,126	78,872
Current liabilities			
Trade and other payables	29	(18,891)	(13,037)
Borrowings	31	(581)	-
Other financial liabilities	32	-	-
Provisions	33	(662)	(762)
Other liabilities	30	(1,365)	(865)
Liabilities in disposal groups	27.2	-	-
Total current liabilities		(21,499)	(14,664)
Total assets less current liabilities		133,387	125,244
Non-current liabilities			
Trade and other payables	29	-	-
Borrowings	31	(5,350)	-
Other financial liabilities	32	-	-
Provisions	33	(893)	(984)
Other liabilities	30	(209)	(3,301)
Total non-current liabilities		(6,452)	(4,285)
Total assets employed		126,935	120,959
Financed by			
Public dividend capital		46,359	41,180
Revaluation reserve		26,899	25,786
Financial assets reserve		-	-
Other reserves		-	-
Merger reserve		-	-
Income and expenditure reserve		53,677	53,993
Total taxpayers' equity		126,935	120,959

The notes on pages 174 to 233 form part of these accounts.

Name	Jan Ditheridge
Position	Chief Executive
Date	28 June 2023

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

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward	41,181	25,786	53,992	120,959
Implementation of IFRS 16 on 1 April 2022	-	-	1,597	1,597
Surplus/(deficit) for the year	-	-	(1,405)	(1,405)
Impairments	-	(155)	-	(155)
Revaluations	-	1,268	-	1,268
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	3,474	3,474
Public dividend capital received	5,178	-	-	5,178
Other reserve movements	-	-	(3,982)	(3,982)
Taxpayers' and others' equity at 31 March 2023	46,359	26,899	53,677	126,935

Statement of Changes in Equity for the year ended 31 March 2022

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2021 - brought forward	39,567	20,355	51,559	111,481
Prior period adjustment	-	-	-	-
Taxpayers' and others' equity at 1 April 2021 - restated	39,567	20,355	51,559	111,481
Surplus/(deficit) for the year	-	-	420	420
Impairments	-	(516)	-	(516)
Revaluations	-	5,947	-	5,947
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	2,407	2,407
Public dividend capital received	1,614	-	-	1,614
Other reserve movements	-	-	(394)	(394)
Taxpayers' and others' equity at 31 March 2022	41,181	25,786	53,992	120,959

Information on reserves

Public dividend capital

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

Revaluation reserve

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

Income and expenditure reserve

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

Statement of Cash Flows

	2022/23	2021/22
Note	£000	£000
Cash flows from operating activities		
Operating surplus / (deficit)	(360)	2,182
Non-cash income and expense:		
Depreciation and amortisation	6.1 3,143	2,980
Net impairments	7 (1,395)	911
Income recognised in respect of capital donations	3.4 -	-
Amortisation of PFI deferred credit	-	-
Non-cash movements in on-SoFP pension liability	133	443
(Increase) / decrease in receivables and other assets	(4,094)	(1,780)
(Increase) / decrease in inventories	27	(14)
Increase / (decrease) in payables and other liabilities	5,113	503
Increase / (decrease) in provisions	(201)	368
Tax (paid) / received	-	-
Operating cash flows from discontinued operations	-	-
Other movements in operating cash flows	-	(428)
Net cash flows from / (used in) operating activities	2,366	5,165
Cash flows from investing activities		
Interest received	1,073	29
Purchase of intangible assets	(3,423)	(599)
Purchase of PPE and investment property	(7,402)	(7,977)
Sales of PPE and investment property	-	183
Net cash flows from / (used in) investing activities	(9,752)	(8,364)
Cash flows from financing activities		
Public dividend capital received	5,178	1,614
Capital element of finance lease liability repayments	(609)	-
Interest element of finance liability repayments	(61)	-
PDC dividend (paid) / refunded	(2,164)	(1,733)
Net cash flows from / (used in) financing activities	2,344	(119)
Increase / (decrease) in cash and cash equivalents	(5,042)	(3,318)
Cash and cash equivalents at 1 April - brought forward	58,757	62,075
Prior period adjustments	-	-
Cash and cash equivalents at 1 April - restated	58,757	62,075
Cash and cash equivalents transferred under absorption accounting	-	-
Unrealised gains / (losses) on foreign exchange	-	-
Cash and cash equivalents at 31 March	53,715	58,757

Notes to the Accounts

Note 1.1 Accounting policies and other information

Basis of preparation

NHS England has directed that the financial statements of NHS foundation trusts should meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), that are agreed with HM Treasury.

This financial statement has, therefore, been prepared in accordance with the DHSC Group Accounting Manual (GAM) 2022/23, issued by the Department of Health and Social Care (DHSC).

The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the DHSC Group Accounting Manual permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to circumstances of the NHS foundation trust for the purpose of giving a true and fair view has been selected.

The policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to these accounts.

Sheffield Health and Social Care NHS Foundation Trust ("SHSC") achieved foundation trust status on 1 July 2008 and have been operating as a going concern since then.

Note 1.1.1 Accounting convention

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

Note 1.1.2 Accounting period

The accounts of the Trust have been drawn up for the year from 1 April 2022 to 31 March 2023.

Note 1.1.3 Acquisitions and discontinued operations

Activities are 'acquired' only if they are taken from outside the public sector. Activities are 'discontinued' only if they cease entirely. They are not considered 'discontinued' if they transfer from one public sector body to another.

Note 1.2 Going concern

The Trust's annual report and accounts have been prepared on a going concern basis, as approved by the Board. There is reasonable assumption that the Trust can continue in existence into the foreseeable future.

Note 1.3 Interest in other entities

NHS charitable funds

Sheffield Health and Social Care NHS Foundation Trust (SHSC) is related to Sheffield Hospitals Charitable Trust, under the umbrella registration of 1059043-3. The Trust is not a corporate trustee of the charity. The Trust assessed its relationship to the charitable trust and determined that it is not a subsidiary because The Trust does not have powers to govern the financial and operational policies of the charitable trust to obtain benefits from its activities for its stakeholders. Because of this relationship the Trust will not be consolidating the Sheffield Hospitals Charity into their accounts. The Department of Health and Social Care corresponds directly with NHS charities who are independent of their linked trust (with independent trustees) to obtain the information they require to consolidate into Department of Health and Social Care group. Sheffield Hospitals Charity is one such charity. During 2022/23 the Trust did not receive any donations through the charity.

Subsidiaries

Subsidiaries are entities where the Trust has power to exercise control. The Trust has control when it can affect the variable returns from the other entity through its power to direct relevant activities. Their accounts should then be consolidated into the Trust's. The income, expenses, assets, liabilities, equity, and reserves of the subsidiary are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to non-controlling interests are included as a separate item in the Statement of Financial Position. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the Trust or where the subsidiary's accounting date is not coterminous. Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'. In 2015/16 the Trust established a wholly owned operating company, 7 Hills Care and Support Ltd. The company was closed and taken off the register of companies on 5 April 2022.

Associates

Associates are entities where the Trust can exercise significant influence to obtain economic or other benefits. 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". The Trust did not have any recognised Associates during financial year 2022/23.

Joint arrangements

Arrangements over which the Trust has joint control with one or more other entities are classified as joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement/activity/entity. A joint arrangement is either a joint operation or a joint venture. A joint operation exists where the parties that have joint control have rights to the assets, and obligations for the liabilities relating to the arrangement/activity/entity.

Where the Trust is a joint operator, it recognises its share of, assets, liabilities, income, and expenses in its own accounts. During 2022/23 the Trust did not have any joint arrangement/activity/entity.

Note 1.4 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

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

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity.

Apprenticeship service income

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

Note 1.5 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages, and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is accrued in the financial statements only for those employees permitted to carry-forward leave into the following period. In all other cases such leave is forfeited and lost at the end of the financial year.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

An outline of these follows: a) Accounting valuation A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period and is accepted as providing suitably robust figures for financial reporting purposes.

The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>

NEST Pension Scheme

The Trust is a member of the National Employment Savings Trust (NEST) pension scheme which operates as a defined contribution plan. The Trust pays contributions into a fund but has no legal or constructive obligation to make further payments if the fund does not have sufficient assets to pay all employee entitlements post employment. The Trust’s obligation is therefore limited to the amount it agrees to contribute to the fund and effectively place actuarial and investment risk on the employee. The amount recognised in the period is the contribution payable in exchange for service rendered by employees during the period.

Local Government Pension Scheme

Some Trust employees who were transferred from Sheffield City Council elected to remain with the Local Government Pension Scheme, administered by the South Yorkshire Pensions Authority, which is a defined benefit pension scheme. The assets and liabilities attributable to these employees can be identified and are recognised in the Trust's accounts. The assets are measured at fair value, and the liabilities at the present value of future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The net interest cost during the year arising from the unwinding of the discount on the net scheme liabilities is recognised within finance costs. Re measurements of the defined benefit plan are recognised in the income and expenditure reserve and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. 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, except for any pension changes which relate to salary increases more than 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 27 and 27.1.

Note 1.6 Expenditure on other goods and services

Expenditure on goods and services is recognised when they are received in full. The value is normally the fair or agreed value of those goods and services. Expenditure is recognised in operating expenses except where it is for the acquisition of a non current asset such as property, plant and equipment, furniture and fitting, or long term intangible asset.

Note 1.7 Property, plant and equipment

Note 1.7.1 Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of £5,000 or more inclusive of value added tax, or
- collectively, items have a cost of £5,000 with each individual item having a cost of £250 or more. The grouped assets should be functionally interdependent, have broadly the same purchase dates, are anticipated to have similar economic lives and are in use or controlled by one department.

Where a large asset, for example a building, includes several components with significantly different asset lives, e.g plant and equipment, then these components are treated as separate assets and depreciated over their own economic lives.

Subsequent expenditure

Subsequent expenditure relating to items of property, plant and equipment is recognised as increases in the value 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 capital expenditure recognition above. Its value is added to the cost of the existing asset and the replacement de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, are charged as expenditure to the Statement of Comprehensive Income in the period they occur.

Note 1.7.2 Measurement

Valuation

All property, plant and equipment are initially measured at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended to. When such assets are revalued, their value is adjusted to those determined by the valuers and their useful cost.

Assets held for their service and still in use (i.e. operational assets used to deliver either front line services or back-office functions) are measured at their current value in existing use. Assets that held for their service potential but are surplus with no plan to bring them back into use, are measured at fair value. If there are no restrictions to the sale of such assets at the reporting date, and such assets do not meet the definitions of investments, they are classified as "assets held for sale" in the financial statements.

Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. These valuations are carried out by professionally qualified valuers in accordance with Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

Fair values are determined as follows:

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

A full revaluation was undertaken as at 31 March 2023 and are reflected in these financial statements. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the services being provided.

Properties under construction for service or administration purposes are carried at cost in this financial statement. Cost will include professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences in the following quarter when the assets are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

Depreciation

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

Property, plant and equipment reclassified as 'held for sale' ceases to be depreciated upon reclassification. Assets under construction are not depreciated until they are brought into use.

Revaluation gains and losses

Revaluation gains are recognised in revaluation reserve, except where they are a reversal of revaluation decreases (impairments) that have previously been recognised in operating expenses, in which case they are recognised in operating income.

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

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

Impairments

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

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

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

Note 1.7.3 De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the following conditions are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales
- the sale must be highly probable i.e: management are committed to a plan to sell the asset, an active programme has begun to find a buyer and complete the sale, the asset is being actively marketed at a reasonable price, the sale is expected to be completed within 12 months of the date of classification as 'held for sale', the actions needed to complete the plan indicate it is unlikely that the plan will be abandoned, or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met. The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the income statement. On disposal, the balance for the asset on the revaluation reserve, donated asset reserve or government grant reserve is transferred to retained earnings.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset with an adjusted useful life in line with the expected period before scrapping or demolishing. The asset is de-recognised when scrapping or demolition occurs

Assets held as "Excess to Requirements" or Surplus Assets are valued at fair value and depreciated as part of operational assets. Such assets, if not sold, will retain the status of operating assets until they are either disposed of, sold, or brought back into operation. Fulwood land was classified as surplus assets for the financial year 2020/21.

Note 1.7.4 Donated assets and Government grant funded assets

Donated non-current assets are capitalised at current value in existing use, if they are held for their service potential, or at fair value on receipt, with a matching credit to income. They are valued, depreciated, and impaired as other purchased assets above. Gains and losses on revaluations, impairments and sales are treated in the same way as purchased assets.

Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

Government grant funded assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

Note 1.7.5 Useful lives of property, plant and equipment

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

	Minimum life - years	Maximum life - years
Buildings, excluding dwellings	15	50
Plant and machinery	5	15
Transport equipment	3	7
Information technology	3	7
Furniture and fittings	7	10

Freehold land, assets under construction or development, investment properties, and assets held for sale are not depreciated. Depreciation is charged to write off the costs or valuation of property, plant and equipment and intangible assets, less any residual value, on a straight-line basis over their estimated useful lives.

The estimated economic useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. At each financial year end, the Trust checks whether there is any indication that its property, plant and equipment or intangible assets have suffered an impairment. If there is indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss. Intangible assets not yet available for use are tested for impairment annually at the financial year end. Several Trust properties are due for useful life reviews in 2022/23 in line with the Estates Strategy.

Note 1.8 Intangible assets**Note 1.8.1 Recognition**

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow, or services be provided to the Trust and where the cost of the asset can be measured reliably and when the cost is £5,000 and above inclusive of VAT.

Software

Software that is integral to the operation of hardware like operating systems, is capitalised as part of the related item of property, plant and equipment. Software that is not integral to the operation of hardware like most application software, is capitalised as intangible assets.

Expenditure on research is not capitalised but is recognised as an operating expense in the period it occurs. Internally developed software is recognised when the following conditions have been met:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the Trust intends to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial, and other resources to complete the intangible asset and sell
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Note 1.8.2 Measurement

Intangible assets acquired separately are recognised at cost. The amount recognised for internally developed intangible assets is the sum of the expenditure incurred from the date when the criteria for recognition are initially met. Where no internally developed intangible asset can be recognised, the expenditure is recognised in the period in which it occurs.

Following initial recognition, intangible assets are carried at current value in existing use by reference to an active market. Where no active market exists, they are valued at the lower of amortised replacement cost (modern equivalent assets basis) and value in use where the asset is income generating. Internally developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

Revaluations and impairments are treated in the same manner as for property, plant and equipment. Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

Note 1.8.3 Amortisation

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

Note 1.8.4 Economic lives of intangible assets

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

	Minimum life - years	Maximum life - years
Information technology	3	7
Software licenses	3	7
Licenses and trademarks	3	7
Other (purchased)	3	7
Goodwill	3	7

Note 1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

Note 1.10 Investment properties

Investment properties are measured at fair value. Changes in fair value are recognised as gains or losses in income/expenditure. Only assets held solely to generate commercial returns are classified as investment properties. Where an asset is held, in part, to support services, then it should be classified as part of the general assets and rental charged for the part being leased out. Properties occupied by employees, whether they pay rent at market rates, are not classified as investment properties.

Note 1.11 Cash and cash equivalents

Cash resources cover cash in hand (including petty cash), and cash deposits with financial institutions available on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of investment and that are readily convertible to cash but carry some risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand. Cash, bank and overdraft balances are recorded at current values.

Note 1.12 Financial assets and financial liabilities**Note 1.12.1 Recognition**

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

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

Note 1.12.2 Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure or fair value through other comprehensive income.

Financial liabilities classified as subsequently measured at amortised cost or fair value through income and expenditure.

Financial assets and financial liabilities at amortised cost

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

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

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

Impairment of financial assets

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

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

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

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

Note 1.12.3 Derecognition

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

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires. For 2022/23 financial year, the Trust did not have any investments or obligation under financial instruments.

Note 1.13 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

Note 1.13.1 SHSC as lessee

Initial recognition and measurement

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

The trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight line basis over the lease term or other systematic basis. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

Note 1.13.2 SHSC as lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

Finance leases

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

Operating leases

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

Initial application of IFRS 16

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury has been applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

The standard has been applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 have only been applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments have not been revisited.

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the statement of financial position immediately prior to initial application. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

No adjustments have been made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets has a value below £5,000. No adjustments have been made in respect of leases previously classified as finance leases.

The Trust as lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16. For existing arrangements where the Trust is an intermediate lessor, classification of all continuing sublease arrangements has been reassessed with reference to the right of use asset.

2021/22 comparatives

Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021/22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight line or other systematic basis.

Note 1.14 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where a provision is adjusted for the time value of fund using cash flows estimated to settle the obligation, the carrying amount is the present value of those cash flows using HM Treasury's discount rates. Early retirement provisions are discounted using HM Treasury's pension discount rate of 1.70% (2021-22: negative 1.30%) in real terms.

Note 1.14.1 Clinical negligence costs

NHS Resolution operates a risk pooling scheme (insurance) under which the Trust pays an annual contribution to them to cover all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed in Note 33.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

Note 1.15 Contingencies

Contingent assets are assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the SHSC's control. These are not recognised as assets but are disclosed in a note to the accounts where an inflow of economic benefits is probable.

Contingent liabilities are:

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

Contingent liabilities are not recognised in the accounts but are disclosed in a note in the accounts unless the probability of a transfer of economic liability is remote.

Note 1.16 Public dividend capital

Public dividend capital are funds issued by the Department of Health and Social Care (DHSC) to fund public sector equity. This represents the DHSC's investment in the Trust. HM Treasury has recognised the investment as being issued under statutory authority rather than under contract, so PDC is not a financial instrument within the meaning of IAS 32. The Secretary of State has rights to issue new PDC or require repayments of PDC to and from the Trust at any time.

PDC capital is recorded in these accounts at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined in the PDC dividend policy issued by the Department of Health and Social Care. This policy is available at <https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts>.

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

Note 1.17 Value added tax

Most of the activities of the Trust are outside the scope of Value Added Tax (VAT) so output tax does not generally apply and input tax on purchases is also normally not recoverable. Irrecoverable VAT is charged to expenditure or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.18 Corporation tax

The Finance Act 2004 amended Section 519A of the Income and Corporation Taxes Act 1998 to empower HM Treasury charge corporation tax on non-core activities of the Trust where profits exceed £50,000 per annum. This covers activities that fall outside healthcare provision and are not in support of any activities that add viability to the core functions of the Trust. These activities are subject to regular review. The Trust carried the review of corporation tax liability of its non-healthcare activities for the financial year 2021/22 and no activities ancillary to patient and health care earned £50,000 or more in income for the year.

Note 1.19 Foreign currencies

The Trust's functional currency and presentational currency is pound sterling, and numbers in these accounts are presented in thousands of pounds unless expressly stated otherwise. Transactions that are denominated in foreign currency are translated into the functional currency at the spot exchange rate on the date of the transaction. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March.

Exchange gains and losses on monetary items (arising on settlement of the transaction or on retranslation at the Statement of Financial Position date) are recognised in the Statement of Comprehensive Income in the period in which they arise.

Note 1.20 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. These are, however, disclosed in a separate note to the accounts in line with the requirements of HM Treasury's FReM.

Note 1.21 Losses and special payments

Losses and special payments are payments that arise outside the normal business of health care provision. These payments are subject to special control procedures compared with most payments. The payments are categorised, and the governance is different. Losses and special payments are normally covered by insurance with the excess charged to revenue as and when the cases are reported. Cases that are not paid through the normal insurance cover are charged to revenue in the year they occur.

Note 1.22 Gifts

Gifts or voluntary donations, with no preconditions and without expectation of any return are treated by the Trust as charitable donations. These gifts include transactions economically equivalent to free and unremunerated transfers, such as the loan of assets over their expected useful life, and the sale or lease of assets to the Trust at below market value. All these gifts and donations, both tangible and intangible, are recorded as donated assets in the Trust's asset registers and depreciated in line with normal asset depreciation policy.

Note 1.23 Transfers of Functions

As public sector bodies operate under DHSC regulations and control, business reconfigurations within the DHSC group are outside the scope of IFRS 3 Business Combinations. Where functions transfer between two public sector bodies, the DHJSC Group Accounting Manual (GAM) requires the application of 'absorption accounting'. Absorption accounting requires that entities account for their transactions in the period in which they took place. Where assets and liabilities transfer, the gains or losses resulting are recognised in the Statement of Comprehensive Income and are disclosed separately from operating income and expenditure.

Note 1.24 Early adoption of standards, amendments, and interpretations

No new accounting standards or revisions to existing standards have been adopted in 2022/23.

Note 1.25 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

The Trust has considered the above new standards, interpretation, and amendments to published standards that are not yet effective and concluded that IFRS 17 is currently not relevant to the Trust or would not have a significant impact on the Trust's financial statements, apart from some additional disclosures.

Note 1.26 Critical judgements and key sources of estimation uncertainty

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

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The Trust confirms that it has not used any key assumptions concerning the future or had any key sources of estimation uncertainty at the end of the reporting period that have risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year that need to be disclosed under IAS1.

It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. Based on existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset or liability recorded in Note 16.1.

Note 1.26.1 Critical judgements in applying accounting policies

The main area of estimation uncertainty within the Trust is the carrying value of the property portfolio and the assumptions used in the determination of fair value at the Statement of Financial Position date. To minimise the risk of material misstatement, a full property valuation was commissioned by the Trust for 31 March 2023. Provisions have been calculated after recognising obligating events during the year and include estimates and assumptions relating to the carrying amounts and timing of anticipated payments. Litigation provisions are based on estimates provided through NHS Resolution and injury benefit provisions calculated on figures from NHS Business Services Authority. Refer to Paragraph 1.15 for further details.

Further areas of estimation are around net liability to pay pensions in respect of staff who transferred to the Trust from Sheffield City Council. This estimation depends on judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in the retirement ages, mortality rates, and expected returns on pension fund assets. Consulting actuaries, Hymans Robertson, engaged by the South Yorkshire Pensions Authority, provide the Trust with expert advice on assumptions applied in the valuation of these pensions.

The Trust's standard policy is to carry out full revaluation of lands and buildings every five years, with a provision for a tabletop revaluation during the third year. A full revaluation was undertaken in March 2022 to align with the take of leased assets under IFRS 16 and to measure the impact of the U.K. exit from Europe on asset values. A full revaluation was also undertaken in March 2023 to ensure valuations and Gross Internal Area figures were correct.

Most of the Trust's fixed assets are specialised assets, used to deliver healthcare services for the Trust, except Wardsend Road (office space). The Specialised assets were revalued at their "depreciated replacement cost" or fair value for those that were added to the portfolio of assets. This technique involves assessing all the costs of providing a modern equivalent asset using pricing at the valuation date. In making these judgements, the Trust is aware that the Royal Institute of Chartered Surveyors (RICS) issued in April 2020, a valuation practice guidance to valuers where valuers must declare material uncertainties attached to valuations considering impact of COVID-19 on markets. The Trust obtained a valuation report for 2021/22 which considered possible deviances coming from both the impact of COVID-19 and the U.K. exit from the European Union. Given the judgements explained above in preparing the financial statements, the Trust has not deviated from its existing accounting policy by obtaining an additional valuation to which a materiality uncertainty might be attached.

The asset lives for a number of buildings has been revised during the year as the previous asset lives (aligned with the Trust's Estates Strategy) did not represent the likely ongoing use of those sites. These have been amended during 2022/23 and will be revised in line with future Estates Strategy.

Note 2 Operating Segments

The Trust has one operating segment, the provision of health and social care. All its revenues are derived from within the United Kingdom.

Details of operating income by classification and type are provided under Note 3 below.

Note 3 Operating income from patient care activities

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

Note 3.1 Income from patient care activities (by nature)	2022/23	2021/22
	£000	£000
Mental health services		
Income from commissioners under API contracts*	115,694	118,430
Services delivered under a mental health collaborative	4,412	-
Clinical partnerships providing mandatory services (including S75 agreements)	1,997	1,174
Clinical income for the secondary commissioning of mandatory services	-	-
Other clinical income from mandatory services	6,150	6,199
All services		
Agenda for change pay award central funding	4,882	-
Additional pension contribution central funding**	4,835	4,508
Other clinical income	-	170
Total income from activities	137,970	130,481

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2022/23 National Tariff payments system documents.

<https://www.england.nhs.uk/publication/past-national-tariffs-documents-and-policies/>

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

*** 'In March 2023 the Government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the Government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023.

Note 3.2 Income from patient care activities (by source)

	2022/23	2021/22
	£000	£000
Income from patient care activities received from:		
NHS England	11,940	9,636
Clinical commissioning groups	27,294	113,302
Integrated care boards	86,178	-
Department of Health and Social Care	-	-
Other NHS providers	4,411	-
NHS other	-	-
Local authorities	8,147	7,373
Non NHS: other	-	170
Total income from activities	137,970	130,481
Of which:		
Related to continuing operations	137,970	130,481
Related to discontinued operations	-	-

Note 3.3 Other operating income

	2022/23			2021/22		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	2,544	-	2,544	1,286	-	1,286
Education and training	8,587	322	8,909	7,966	444	8,410
Non-patient care services to other bodies	7,015		7,015	7,487		7,487
Reimbursement and top up funding	-		-	5		5
Income in respect of employee benefits accounted on a gross basis	3,700		3,700	3,721		3,721
Charitable and other contributions to expenditure		83	83		63	63
Revenue from operating leases		151	151		-	-
Other income	169	-	169	396	-	396
Total other operating income	22,015	556	22,571	20,861	507	21,368
Of which:						
Related to continuing operations			22,571			21,368
Related to discontinued operations			-			-

Charitable and other contributions to expenditure is related to free items received from DoHSC in response to COVID-19 pandemic.

Note 4.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2022/23	2021/22
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	-	199
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

Note 4.2 Transaction price allocated to remaining performance obligations

	31 March	31 March
	2023	2022
	£000	£000
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:		
within one year	-	-
after one year, not later than five years	-	-
after five years	-	-
Total revenue allocated to remaining performance obligations	-	-

The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed.

Note 4.3 Income from activities arising from commissioner requested services

Under the terms of its provider licence, 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 licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2022/23	2021/22
	£000	£000
Income from services designated as commissioner requested services	137,970	130,481
Income from services not designated as commissioner requested services	22,571	20,924
Total	160,541	151,405

Note 4.4 Profits and losses on disposal of property, plant and equipment

The Trust did not dispose of any Property, Plant and Equipment in 2022/23. The contract for the sale of Fulwood land and adjacent leased car park was signed in December 2021 and deposit receipted. The property was reclassified as "held for sale" and the sale value of £12 million. The sale has been delayed and is expected to proceed in 2023/24

Note 4.5 Fees and charges

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

No material fees and charges to service users to report at 31 March 2023.

Note 5 Operating leases - Sheffield Health and Social Care NHS Foundation Trust as lessor

This note discloses income generated in operating lease agreements where Sheffield Health and Social Care NHS Foundation Trust is the lessor.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis. This includes a different maturity analysis of future minimum lease receipts under IAS 17 compared to IFRS 16.

Sheffield Teaching Hospitals FT occupy a part of 3 sites that belong to the Trust (Lightwood, Limbrick and Michael Carlisle Centre). The Trust considers this to be an operating lease and therefore accounts for it as a lease under IFRS16 where the Trust is the lessor.

Note 5.1 Operating lease income

	2022/23 £000	2021/22 £000
Lease receipts recognised as income in year:		
Minimum lease receipts	151	-
Variable lease receipts / contingent rents	-	-
Other	-	-
Total in-year operating lease income	151	-

Note 5.2 Future lease receipts

	31 March 2023 £000
Future minimum lease receipts due at 31 March 2023:	
- not later than one year	151
- later than one year and not later than two years	151
- later than two years and not later than three years	-
- later than three years and not later than four years	-
- later than four years and not later than five years	-
- later than five years	-
Total	302
	31 March 2022 £000
Future minimum lease receipts due at 31 March 2022:	
- not later than one year;	-
- later than one year and not later than five years;	-
- later than five years.	-
Total	-

Note 6.1 Operating expenses

	2022/23 £000	2021/22 £000
Purchase of healthcare from NHS and DHSC bodies	154	34
Purchase of healthcare from non-NHS and non-DHSC bodies	10,524	9,674
Purchase of social care	-	-
Staff and executive directors costs	123,482	112,489
Remuneration of non-executive directors	130	119
Supplies and services - clinical (excluding drugs costs)	407	477
Supplies and services - general	2,849	2,568
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	1,262	965
Inventories written down	5	11
Consultancy costs	399	1,196
Establishment	783	748
Premises	7,075	6,325
Transport (including patient travel)	1,408	1,186
Depreciation on property, plant and equipment and right of use assets	2,866	2,779
Amortisation on intangible assets	276	201
Net impairments	(1,395)	911
Movement in credit loss allowance: contract receivables / contract assets	(8)	(30)
Movement in credit loss allowance: all other receivables and investments	-	-
Increase/(decrease) in other provisions	246	388
Change in provisions discount rate(s)	(177)	97
Fees payable to the external auditor		
audit services- statutory audit *	141	99
other auditor remuneration (external auditor only)	-	-
Internal audit costs	89	107
Clinical negligence	522	693
Legal fees	181	402
Insurance	130	66
Research and development	2,064	1,351
Education and training	5,843	5,199
Expenditure on short term leases (current year only)	-	-
Expenditure on low value leases (current year only)	99	-
Variable lease payments not included in the liability (current year only)	77	-
Operating lease expenditure (comparative only)		594
Early retirements	-	-
Redundancy	-	-
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	-	-
Charges to operating expenditure for off-SoFP PFI / LIFT schemes	-	-
Car parking & security	213	183
Hospitality	36	28
Losses, ex gratia & special payments	125	64
Grossing up consortium arrangements	-	-
Other services, eg external payroll	314	156
Other	781	587
Total	160,901	149,667
Of which:		
Related to continuing operations	160,901	149,667
Related to discontinued operations	-	-

*£24k of audit fees in 2022/23 relates to additional IFRS16 work from 2021/22
The statutory audit fee for 2022/23 excluding irrecoverable VAT is £97,083

Note 6.2 Other auditor remuneration

	2022/23	2021/22
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	-	-
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	<u>-</u>	<u>-</u>

Due to COVID-19 the Quality Report was removed from Trust accounts nationally from 2020/21. There were, therefore, no audit fees related to quality accounts in 2021/22.

Note 6.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work was £1 million (2021/22: £1 million).

Note 7 Impairment of assets

	2022/23	2021/22
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	(1,395)	911
Total net impairments charged to operating surplus / deficit	<u>(1,395)</u>	<u>911</u>
Impairments charged to the revaluation reserve	155	516
Total net impairments	<u>(1,240)</u>	<u>1,427</u>

The Trust carried out a full revaluation of their lands and buildings in 2022/23. There have been significant revaluation increases which are reported as reversal of previous impairments. This was across a number of sites and related to a reassessment of asset life for several buildings. The total net impairment reversal for the year was £1,240k. Other revaluation gains have been recognised against the revaluation reserve.

Note 8 Employee benefits

	2022/23 Permanent £000	2022/23 Other £000	2022/23 Total £000	2021/22 Total £000
Salaries and wages	90,033	4,753	94,786	87,878
Social security costs	9,441	-	9,441	8,450
Apprenticeship levy *	470	-	470	411
Employer's contributions to NHS pensions	15,828	-	15,828	14,790
Pension cost - other	159	-	159	159
Temporary staff (including agency)	-	9,901	9,901	5,899
Total gross staff costs	115,931	14,654	130,585	117,587
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	115,931	14,654	130,585	117,587
Of which				
Costs capitalised as part of assets	734	938	1,672	165
Total Staff Costs excluding Capital Costs	115,197	13,716	128,913	117,422

*Apprenticeship Levy introduced in May 2017 aimed at encouraging organisations to take on more apprentices by financing their training. It is a tax applied to all employers whose annual salary bill is above £3 million. The levy is 0.5% of the total salary bill and can only be used for apprentice training and assessment, and not salaries. The Trust utilised £322,000 of the levy in 2022/23.

Note 8.1 Retirements due to ill-health

During 2022/23 there was 1 early retirement from the trust agreed on the grounds of ill-health (1 in the year ended 31 March 2022). The estimated additional pension liabilities of these ill-health retirements is £59k (0k in 2021/22).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 9 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes.

The valuation of the scheme liability as at 31 March 2023, is based on valuation data as at 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 at 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports

Note 9.1 NEST Pension Scheme

The Trust is a member of the National Employment Savings Trust (NEST) pension scheme that is defined contribution scheme. The Trust pays contributions into NEST but have obligation to make additional payments if the fund does not have sufficient assets to pay all of the employees' entitlements to post-employment benefits. The Trust's obligation is limited to the amount agreed as its contribution to the fund on behalf of employees and place actuarial and investment risk on them as members of NEST. The amount recognised on the financial statements is the contribution paid on behalf of members.

	2022/23	2021/22
	£000	£000
Employer's Contributions	159	159

The number of members at the end of 2022/23 was 169 (155 for 2021/22).

Note 10 Finance income

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

	2022/23
	£000
Interest on bank accounts	1,278
Total finance income	1,278

The increased interest income reported in 2022/23 was due to increased bank interest rates

Note 11.1 Finance expenditure

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

	2022/23
	£000
Interest expense:	
Interest on lease obligations	62
Total interest expense	62
Unwinding of discount on provisions	9
Other finance costs	26
Total finance costs	97

Note 11.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2022/23
	£000
Total liability accruing in year under this legislation as a result of late payments	-
Amounts included within interest payable arising from claims made under this legislation	-
Compensation paid to cover debt recovery costs under this legislation	-

Note 12 Other gains / (losses)

	2022/23
	£000
Gains on disposal of assets	-
Losses on disposal of assets	-
Total gains / (losses) on disposal of assets	-
Other gains / (losses)	-
Total other gains / (losses)	-

Note 13 Discontinued operations

No discontinued operations in 2022/23 or 2021/22.

2021/22

£000

29

29

l.

2021/22

£000

-

-

(9)

34

25

2021/22

£000

-

-

-

2021/22

£000

-

(1)

(1)

-

(1)

Note 14.1 Intangible assets - 2022/23

	Software licences	Intangible assets under construction	Other (purchased)	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2022 - brought forward	1,641	279	-	1,920
IFRS 16 implementation - reclassification of existing finance leased assets to right of use assets	-	-	-	-
Transfers by absorption	-	-	-	-
Additions	-	3,391	-	3,391
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	313	(313)	-	-
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
Valuation / gross cost at 31 March 2023	1,954	3,357	-	5,311
Amortisation at 1 April 2022 - brought forward	557	-	-	557
IFRS 16 implementation - reclassification of existing finance leased assets to right of use assets	-	-	-	-
Transfers by absorption	-	-	-	-
Provided during the year	276	-	-	276
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
Amortisation at 31 March 2023	833	-	-	833
Net book value at 31 March 2023	1,121	3,357	-	4,478
Net book value at 1 April 2022	1,084	279	-	1,363

Note 14.2 Intangible assets - 2021/22

	Software licences	Intangible assets under construction	Other (purchased)	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021 - as previously stated	1,224	194	-	1,418
Prior period adjustments	-	-	-	-
Valuation / gross cost at 1 April 2021 - restated	1,224	194	-	1,418
Transfers by absorption	-	-	-	-
Additions	-	502	-	502
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	417	(417)	-	-
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
Valuation / gross cost at 31 March 2022	1,641	279	-	1,920
Amortisation at 1 April 2021 - as previously stated	356	-	-	356
Prior period adjustments	-	-	-	-
Amortisation at 1 April 2021 - restated	356	-	-	356
Transfers by absorption	-	-	-	-
Provided during the year	201	-	-	201
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
Amortisation at 31 March 2022	557	-	-	557
Net book value at 31 March 2022	1,084	279	-	1,363
Net book value at 1 April 2021	868	194	-	1,062

Note 15.1 Property, plant and equipment - 2022/23

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2022 - brought forward	10,847	35,090	-	6,655	765	544	2,923	174	56,998
IFRS 16 implementation - reclassification of existing finance leased assets to right of use assets	-	-	-	-	-	-	-	-	-
Additions	-	-	-	8,621	-	-	-	-	8,621
Impairments	-	(416)	-	-	-	-	-	-	(416)
Reversals of impairments	-	1,656	-	-	-	-	-	-	1,656
Revaluations	(5)	(136)	-	-	-	-	-	-	(141)
Reclassifications	-	8,977	-	(10,117)	284	213	82	561	-
Disposals / derecognition	-	-	-	-	(22)	(62)	(456)	(1)	(541)
Valuation/gross cost at 31 March 2023	10,842	45,171	-	5,159	1,027	695	2,549	734	66,177
Accumulated depreciation at 1 April 2022 - brought forward	-	474	-	-	332	167	780	7	1,760
IFRS 16 implementation - reclassification of existing finance leased assets to right of use assets	-	-	-	-	-	-	-	-	-
Provided during the year	-	1,437	-	-	84	65	518	23	2,127
Revaluations	-	(1,410)	-	-	-	-	-	-	(1,410)
Disposals / derecognition	-	-	-	-	(22)	(62)	(456)	(1)	(541)
Accumulated depreciation at 31 March 2023	-	501	-	-	394	170	842	29	1,936
Net book value at 31 March 2023	10,842	44,670	-	5,159	632	525	1,707	705	64,241
Net book value at 1 April 2022	10,847	34,616	-	6,655	432	376	2,144	167	55,239

Note 15.2 Property, plant and equipment - 2021/22

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021 - as previously stated	17,794	34,686	-	3,439	739	227	3,447	54	60,386
Prior period adjustments	-	-	-	-	-	-	-	-	-
Valuation / gross cost at 1 April 2021 - restated	17,794	34,686	-	3,439	739	227	3,447	54	60,386
Additions	-	-	-	7,689	-	-	-	-	7,689
Impairments	-	(2,275)	-	-	-	-	-	-	(2,275)
Reversals of impairments	-	848	-	-	-	-	-	-	848
Revaluations	5,053	(1,298)	-	-	-	-	-	-	3,755
Reclassifications	-	3,129	-	(4,473)	69	349	791	135	-
Transfers to / from assets held for sale	(12,000)	-	-	-	-	-	-	-	(12,000)
Disposals / derecognition	-	-	-	-	(43)	(32)	(1,315)	(15)	(1,405)
Valuation/gross cost at 31 March 2022	10,847	35,090	-	6,655	765	544	2,923	174	56,998
Accumulated depreciation at 1 April 2021 - as previously stated	-	447	-	-	302	179	1,631	18	2,577
Prior period adjustments	-	-	-	-	-	-	-	-	-
Accumulated depreciation at 1 April 2021 - restated	-	447	-	-	302	179	1,631	18	2,577
Provided during the year	-	2,218	-	-	73	20	464	4	2,779
Revaluations	-	(2,191)	-	-	-	-	-	-	(2,191)
Disposals / derecognition	-	-	-	-	(43)	(32)	(1,315)	(15)	(1,405)
Accumulated depreciation at 31 March 2022	-	474	-	-	332	167	780	7	1,760
Net book value at 31 March 2022	10,847	34,616	-	6,655	432	376	2,144	167	55,239
Net book value at 1 April 2021	17,794	34,239	-	3,439	436	47	1,817	36	57,810

Note 15.3 Property, plant and equipment financing - 31 March 2023

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	10,843	43,787	-	5,160	632	524	1,707	705	63,358
Owned - donated/granted	-	882	-	-	-	-	-	-	882
Total net book value at 31 March 2023	10,843	44,669	-	5,160	632	524	1,707	705	64,240

Note 15.4 Property, plant and equipment financing - 31 March 2022

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	10,848	33,747	-	6,655	432	376	2,144	167	54,369
Owned - donated/granted	-	869	-	-	-	-	-	-	869
Total net book value at 31 March 2022	10,848	34,616	-	6,655	432	376	2,144	167	55,238

Note 15.5 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Subject to an operating lease	-	302	-	-	-	-	-	-	302
Not subject to an operating lease	10,843	44,367	-	5,160	632	524	1,707	705	63,938
Total net book value at 31 March 2023	10,843	44,669	-	5,160	632	524	1,707	705	64,240

Note 16 Donations of property, plant and equipment

There were no donations of Property, Plant and Equipment in 2022/23.

Note 17 Revaluations of property, plant and equipment

All property, plant and equipment are measured at cost on acquisition, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value without depreciation charged if they are not in use. Assets that are Held for Sale are held at the fair value or market value if that is established. Assets held for sale are not subject to depreciation and should be fully decommissioned before transfer to "asset held for sale".

Land and buildings in use at the Trust are valued at their revalued cost on the Statement of Financial Position. This is fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Full revaluations at the Trust are scheduled every five years with a desk top revaluation every three years. Revaluation may be carried out where management feels there is a marked shift in asset valuations due to external factors. These valuations are carried out by professionally qualified valuers in accordance with Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

A full revaluation was carried out in year with an effective date of 31 March 2023.

As at 1st April 2022 the following buildings each had 4 years useful economic life (UEL) remaining:

- Argyll House
- Eastglade
- Limbrick
- Michael Carlisle Centre (MCC)
- Northlands
- St Georges

The useful economic lives have been reviewed and the decision taken to increase the UEL of MCC to 25 years as at 1st April 2022 to reflect the significant building work undertaken during the year and expected future use. The UEL of the other sites has been revised to 10 years as at 1st April 2022 as plans to relocate from these sites have not been formalised as anticipated in the Trust's Estates Strategy in previous years..

Note 18 Leases - Sheffield Health and Social Care NHS Foundation Trust as a lessee

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

Land, buildings and fixtures and fitting which would have previously been recognised as an operating lease under IAS17 have now been included on the Statement of Financial Position in 2022/23. The details are shown in Note 18.1 for Right of Use Assets. The Right of Use assets include:

Centre Court and Distington House (Headquarters Building)

Exchange Works

Shepcote Lane

President Park

Fitzwilliam Street

The Circle

Charnock Health Centre

Leadmill Rd

Netherthorpe House

Albert Terrace Road

Longley Leasehold

Longley Meadows

Longley Leasehold

Albert Terrace Road

Leased car parking spaces

Note 18.1 Right of use assets - 2022/23

	Property (land and buildings)	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Intangible assets	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000	£000	£000	£000	£000
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	-	-	-	-	-	-	-	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	8,135	-	-	-	232	-	8,367	2,666
Valuation/gross cost at 31 March 2023	8,135	-	-	-	232	-	8,367	2,666
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	-	-	-	-	-	-	-	-
IFRS 16 implementation - adjustments for existing subleases	-	-	-	-	-	-	-	-
Provided during the year	693	-	-	-	46	-	739	28
Accumulated depreciation at 31 March 2023	693	-	-	-	46	-	739	28
Net book value at 31 March 2023	7,442	-	-	-	186	-	7,628	2,638
Net book value of right of use assets leased from other NHS providers								2,638
Net book value of right of use assets leased from other DHSC group bodies								-

Note 18.2 Revaluations of right of use assets

2022/23 is the first year of measuring right of use assets and therefore no revaluations have occurred.

Note 18.3 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 31.1.

	2022/23
	£000
Carrying value at 31 March 2022	-
IFRS 16 implementation - adjustments for existing operating leases	6,539
Interest charge arising in year	62
Lease payments (cash outflows)	(670)
Carrying value at 31 March 2023	5,931

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

These payments are disclosed in Note 6.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Note 18.4 Maturity analysis of future lease payments at 31 March 2023

	Total	Of which leased from DHSC group bodies:
	31 March	31 March
	2023	2023
	£000	£000
Undiscounted future lease payments payable in:		
- not later than one year;	581	8
- later than one year and not later than five years;	2,232	33
- later than five years.	3,118	1,114
Total gross future lease payments	5,931	1,155
Finance charges allocated to future periods	-	-
Net lease liabilities at 31 March 2023	5,931	1,155
Of which:		
Leased from other NHS providers		1,155
Leased from other DHSC group bodies		-

Note 18.5 Maturity analysis of finance lease liabilities at 31 March 2022 (IAS 17 basis)

The Trust did not hold any finance leases at 31 March 2022.

Note 18.6 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

This note discloses costs incurred in 2021/22 and commitments as at 31 March 2022 for leases the Trust previously determined to be operating leases under IAS 17.

	2021/22 £000
Operating lease expense	
Minimum lease payments	594
Total	594
	31 March 2022 £000
Future minimum lease payments due:	
- not later than one year;	564
- later than one year and not later than five years;	1,776
- later than five years.	5,306
Total	7,646
Future minimum sublease payments to be received	-

Note 18.7 Leases - other information

The forecast cashflow for IFRS16 leases in 2023/24 is £581,000. The forecast expenditure for 2023/24 is £658,000, the difference of £77,000 is the impact of IFRS16

There are no sale and leaseback transactions during the year.

Note 18.8 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 1.13.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022

	1 April 2022
	£000
Operating lease commitments under IAS 17 at 31 March 2022	7,646
Impact of discounting at the incremental borrowing rate	
IAS 17 operating lease commitment discounted at incremental borrowing rate	6,294
Less:	
Commitments for leases of low value assets	(383)
Other adjustments:	
Other adjustments	628
Total lease liabilities under IFRS 16 as at 1 April 2022	6,539

Note 19 Investment Property

The Trust had no investment in properties in 2022/23 or 2021/22.

Note 20 Investments in associates and joint ventures

There were no investments in associates and joint ventures in 2022/23 or 2021/22.

Note 21 Other investments / financial assets (current and non-current)

There were no other investments or financial assets in 2022/23 or 2021/22

Note 22 Disclosure of interests in other entities

Subsidiaries are entities where the Trust has power to exercise control. The Trust has control when it can affect the variable returns from the other entity through its power to direct relevant activities. Their accounts should then be consolidated into the Trust's. The income, expenses, assets, liabilities, equity, and reserves of the subsidiary are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to non-controlling interests are included as a separate item in the Statement of Financial Position. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the Trust or where the subsidiary's accounting date is not coterminous. Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

In 2015/16 the Trust established a wholly owned operating company, 7 Hills Care and Support Ltd. The company was dormant through 2021/22 and an application was made to Companies House to have the company closed and taken off the register of companies. The application was passed on 5 April 2022.

Note 23 Inventories

	31 March 2023 £000	31 March 2022 £000
Drugs	54	81
Work In progress	-	-
Consumables	-	-
Energy	-	-
Other	-	-
Total inventories	<u>54</u>	<u>81</u>
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £1,235k (2021/22: £904k). Write-down of inventories recognised as expenses for the year were £5k (2021/22: £11k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2022/23 the Trust received £83k of items purchased by DHSC (2021/22: £63k).

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

Note 24.1 Receivables

	31 March 2023 £000	31 March 2022 £000
Current		
Contract receivables	10,682	6,549
Contract assets	-	-
Capital receivables	-	-
Allowance for impaired contract receivables / assets	(50)	(59)
Allowance for other impaired receivables	-	-
Deposits and advances	-	-
Prepayments (non-PFI)	1,270	1,033
PFI prepayments - capital contributions	-	-
PFI lifecycle prepayments	-	-
Interest receivable	179	-
Finance lease receivables	-	-
Operating lease receivables	-	-
PDC dividend receivable	-	7
VAT receivable	217	448
Corporation and other taxes receivable	43	36
Other receivables	16	20
Total current receivables	12,357	8,034
Non-current		
Contract receivables	-	-
Contract assets	-	-
Capital receivables	-	-
Allowance for impaired contract receivables / assets	-	-
Allowance for other impaired receivables	-	-
Deposits and advances	-	-
Prepayments (non-PFI)	140	468
PFI prepayments - capital contributions	-	-
PFI lifecycle prepayments	-	-
Interest receivable	-	-
Finance lease receivables	-	-
Operating lease receivables	-	-
VAT receivable	-	-
Corporation and other taxes receivable	-	-
Other receivables	274	3,966
Total non-current receivables	414	4,434
Of which receivable from NHS and DHSC group bodies:		
Current	8,786	2,881
Non-current	138	101

Note 24.2 Allowances for credit losses

	2022/23		2021/22	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 April - brought forward	59	-	89	-
Prior period adjustments			-	-
Allowances as at 1 April - restated	59	-	89	-
Transfers by absorption	-	-	-	-
New allowances arising	47	-	25	-
Changes in existing allowances	-	-	-	-
Reversals of allowances	(55)	-	(55)	-
Utilisation of allowances (write offs)	(1)	-	-	-
Changes arising following modification of contractual cash flows	-	-	-	-
Foreign exchange and other changes	-	-	-	-
Allowances as at 31 Mar 2023	50	-	59	-

The Trust had small amounts of receivable that required credit losses to be recognised. Receivables are impaired when there is no likelihood of the debt being recovered in full. The impairment maybe based on legal advice, insolvency of debtors, or other economic factors. Impaired receivables are written off only when all available means of recovery have been exhausted. The nature of the Trust's business generally means that no collateral is held against outstanding receivables.

Note 24.3 Exposure to credit risk

No material exposure to credit risk identified at 31 March 2023.

Note 25 Finance leases (Sheffield Health and Social Care NHS Foundation Trust as a lessor)

The Trust does not have any lease arrangements classified as finance leases where the Trust is the lessor.

Note 26 Other assets

No other assets held in 2022/23 or 2021/22.

Note 27.1 Non-current assets held for sale and assets in disposal groups

	2022/23 £000	2021/22 £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	12,000	-
Prior period adjustment		-
NBV of non-current assets for sale and assets in disposal groups at 1 April - restated	<u>12,000</u>	<u>-</u>
Transfers by absorption	-	-
Assets classified as available for sale in the year	-	12,000
NBV of non-current assets for sale and assets in disposal groups at 31 March	<u>12,000</u>	<u>12,000</u>

The contract to sell Fulwood land and the adjacent leasehold car park was signed in December 2021.

Contracts to relocate headquarters were signed in March 2022 and the land was assigned as an asset held for sale for the financial year ending 31 March 2022. The sale has been delayed but is expected to proceed in 2023/24 and so the land continues to be classified as an asset held for sale.

Note 27.2 Liabilities in disposal groups

No liabilities relating to disposal groups in 2022/23 or 2021/22.

Note 28.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2022/23 £000	2021/22 £000
At 1 April	58,757	62,075
Prior period adjustments		-
At 1 April (restated)	58,757	62,075
Transfers by absorption	-	-
Net change in year	(5,042)	(3,318)
At 31 March	53,715	58,757
Broken down into:		
Cash at commercial banks and in hand	51	49
Cash with the Government Banking Service	53,664	58,708
Deposits with the National Loan Fund	-	-
Other current investments	-	-
Total cash and cash equivalents as in SoFP	53,715	58,757
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	53,715	58,757

Note 28.2 Third party assets held by the trust

Sheffield Health and Social Care NHS Foundation Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2023 £000	31 March 2022 £000
Bank balances	22	50
Monies on deposit	-	-
Total third party assets	22	50

Note 29.1 Trade and other payables

	31 March 2023 £000	31 March 2022 £000
Current		
Trade payables	1,009	1,805
Capital payables	3,170	1,984
Accruals	10,811	5,617
Receipts in advance and payments on account	-	-
PFI lifecycle replacement received in advance	-	-
Social security costs	1,258	1,220
VAT payables	-	-
Other taxes payable	1,058	975
PDC dividend payable	55	-
Pension contributions payable	1,530	1,436
Other payables	-	-
Total current trade and other payables	<u>18,891</u>	<u>13,037</u>
Non-current		
Trade payables	-	-
Capital payables	-	-
Accruals	-	-
Receipts in advance and payments on account	-	-
PFI lifecycle replacement received in advance	-	-
VAT payables	-	-
Other taxes payable	-	-
Other payables	-	-
Total non-current trade and other payables	<u>-</u>	<u>-</u>
Of which payables from NHS and DHSC group bodies:		
Current	537	536
Non-current	-	-

Note 29.2 Early retirements in NHS payables above

The payables note above includes amounts in relation to early retirements as set out below:

	31 March 2023 £000	31 March 2023 Number	31 March 2022 £000	31 March 2022 Number
- to buy out the liability for early retirements over 5 years	-	-	-	-
- number of cases involved	-	-	-	-

Note 30 Other liabilities

	31 March 2023 £000	31 March 2022 £000
Current		
Deferred income: contract liabilities	1,365	865
Total other current liabilities	<u>1,365</u>	<u>865</u>
Non-current		
Net pension scheme liability	209	3,301
Total other non-current liabilities	<u>209</u>	<u>3,301</u>

Changes in the net pension scheme liability is the result of independent professional actuary valuation commissioned by South Yorkshire Pension Authority. High UK corporate bond yields have resulted in high accounting discount rates which results in significantly lower values on pension obligations compared to 2021/22.

Note 31.1 Borrowings

	31 March 2023 £000	31 March 2022 £000
Current		
Lease liabilities*	581	-
Obligations under PFI, LIFT or other service concession contracts	-	-
Total current borrowings	<u>581</u>	<u>-</u>
Non-current		
Lease liabilities*	5,350	-
Obligations under PFI, LIFT or other service concession contracts	-	-
Total non-current borrowings	<u>5,350</u>	<u>-</u>

* The Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 18.

Note 31.2 Reconciliation of liabilities arising from financing activities - 2022/23

	Loans from DHSC £000	Other loans £000	Lease Liabilities £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2022	-	-	-	-	-
Cash movements:					
Financing cash flows - payments and receipts of principal	-	-	(609)	-	(609)
Financing cash flows - payments of interest	-	-	(61)	-	(61)
Non-cash movements:					
Impact of implementing IFRS 16 on 1 April 2022	-	-	6,539	-	6,539
Application of effective interest rate	-	-	62	-	62
Carrying value at 31 March 2023	-	-	5,931	-	5,931

Note 31.3 Reconciliation of liabilities arising from financing activities - 2021/22

There were no liabilities arising from financing activities in 2021/22

Note 32 Other financial liabilities

There were no other financial liabilities in 2022/23 or 21/22

Note 33.1 Provisions for liabilities and charges analysis (ref table below)

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Re-structuring	Equal Pay (including Agenda for Change)	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2022	-	707	265	220	-	76	478	1,746
At start of period for new FTs	-	-	-	-	-	-	-	-
Change in the discount rate	-	(177)	-	-	-	-	(136)	(313)
Arising during the year	-	82	85	-	-	53	191	411
Utilised during the year	-	(42)	(30)	-	-	-	(6)	(78)
Reversed unused	-	-	(175)	-	-	-	(49)	(224)
Unwinding of discount	-	9	-	-	-	-	3	12
At 31 March 2023	-	579	145	220	-	129	481	1,554
Expected timing of cash flows:								
- not later than one year;	-	46	145	220	-	129	121	661
- later than one year and not later than five years;	-	176	-	-	-	-	237	413
- later than five years.	-	357	-	0	-	(0)	123	480
Total	-	579	145	220	-	129	481	1,554

Provision of £579,000 relates to Injury Benefits. These are payable to current and former members of staff who suffered injury at work. These cases were adjudicated by the NHS Pensions Authority. £579,000 is the payment due to claimants at the end of 2022/23 and payable over their expected life. The figures are adjusted for inflation and any increase in life expectancy (2021/22 £707,000).

Legal claims relate to claims brought against the Trust for Employer's Liability or Public Liability. These cases are handled by NHS Resolution, which provides estimates of the Trust's probable liability. Actual costs incurred are subject to the outcomes of court cases or legal out of court agreements. Settlement costs and legal costs may vary from the provisions put through the accounts. NHS Resolutions cover costs that are more than £10,000 for Employer's liability cases, and £3,000 for Public Liability cases.

Restructuring and redundancy provisions cover on-going staff redeployment and structural changes following de-commissioning of services and the relocation of the Trust's headquarters from Fulwood House.

Provisions were also made for employment tribunal cases brought directly against the Trust which cannot go through NHS Resolution due to their nature. Dilapidation provisions were put in for property rented by the Trust that required restructuring and redesign to suit the Trust's operational needs and standards.

Note 33.2 Clinical negligence liabilities

At 31 March 2023, £4,504,000 was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Sheffield Health and Social Care NHS Foundation Trust (31 March 2022: £5,430,000).

Note 34 Contingent assets and liabilities

	31 March 2023 £000	31 March 2022 £000
Value of contingent liabilities		
NHS Resolution legal claims	(50)	(184)
Employment tribunal and other employee related litigation	-	(169)
Redundancy	-	(76)
Other	-	-
Gross value of contingent liabilities	(50)	(429)
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	(50)	(429)
Net value of contingent assets	-	-

Legal claims contingent liabilities represent the consequences of losing all current third party legal claim cases. The contingent liabilities are based on the estimations provided by NHS Resolution for cases with a possibility of an outflow of resources of 50% or above.

Note 35 Contractual capital commitments

	31 March 2023 £000	31 March 2022 £000
Property, plant and equipment	5,415	1,753
Intangible assets	-	-
Total	5,415	1,753

continuation of work on the following projects: Health Based Place of Safety, Electronic Patient Records and removal of ligature anchor points.

Note 36 Other financial commitments

There are no other financial commitments at 31 March 2023.

Note 37 Defined benefit pension schemes

South Yorkshire Pensions Fund – Retirement Benefit Obligations

Some Trust employees who were transferred from Sheffield City Council elected to remain with the Local Government Pension Scheme, administered by the South Yorkshire Pensions Authority, which is a defined benefit pension scheme. The assets and liabilities attributable to these employees can be identified and are recognised in the Trust's accounts. The assets are measured at fair value, and the liabilities at the present value of future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The net interest cost during the year arising from the unwinding of the discount on the net scheme liabilities is recognised within finance costs. Re-measurements of the defined benefit plan are recognised in the income and expenditure reserve and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. These postings are mostly countered by the terms of the current partnership agreement. The terms of the current partnership "back to back" agreement with Sheffield City Council ('the Council') provide that any long-term pension liability arising from the scheme will be funded by the Council, except for any pension changes which relate to salary increases more than 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.

The total defined benefit pension loss for 2022/23 in respect of the local government scheme administered by South Yorkshire Pensions Authority was £468,000 (2021/22 loss of £547,000).

A pension deficit of £209,000 was included in the Statement of Financial Position as at 31 March 2023 (31 March 2022 - £3,301,000).

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 adjusted by a corresponding non-current receivable with the Council of £136,000 (2021/22 - £3,865,000).

Estimation of the net liability to pay pensions depends on several complex judgements. A firm of consulting actuaries is engaged by South Yorkshire Pensions Authority to provide expert advice about the assumptions made, such as mortality rates and expected returns on pension fund assets.

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:

	2023	2022
	%	%
Rate of increase in salaries	3.60	4.20
Rate of increase in pension and deferred pensions	3.00	3.20
Discount rate	4.75	2.70

Other assumption for valuations 2022/23

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model with a 10% weighting of 2021 (and 2020) data and an allowance for smoothing of recent mortality experience and long-term rates of 1.75% p.a. for males and females.

Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	20.5 years	23.7 years
Future pensioners	21.5 years	25.2 years

* Figures assume members aged 45 as at the last formal valuation date. Life expectancies for the prior period end are based on the S3PA, S3DA and S3IA tables with appropriate weighting.

The fair value of the scheme's assets and liabilities recognised in the balance sheet were as follows:

	Scheme Assets		Scheme Assets	
	2023		2022	
	£'000	%	£'000	%
Equities	15,009	57%	16,418	63
Government Bonds	1,480	6%	4,098	15
Other Bonds	5,257	20%	1,214	4
Property	4,459	17%	4,558	17
Cash / Liquidity/Other	296	1%	311	1
Total fair value of assets	26,500	100%	26,599	100
Present value of defined benefit obligation	(20,066)		(29,900)	
Net retirement benefit deficit	6,434		(3,301)	

IAS19 requires that rather than recognising the expected gain during the year from scheme assets in finance income and the interest cost during the year arising from the unwinding of the discount on the scheme liabilities recognised in finance costs; the net interest cost during the year is presented within finance costs. Actuarial gains and losses are not presented; rather the re-measurements of the defined benefit plan are disclosed and recognised in the income and expenditure reserve.

Note 37.1 Changes in the defined benefit obligation and fair value of plan assets during the year

	2022/23	2021/22
	£000	£000
Present value of the defined benefit obligation at 1 April	(29,900)	(30,486)
Prior period adjustment		-
Present value of the defined benefit obligation at 1 April - restated	(29,900)	(30,486)
Current service cost	(392)	(441)
Interest cost	(805)	(639)
Contribution by plan participants	(68)	(72)
Remeasurement of the net defined benefit (liability) / asset:		
- Actuarial (gains) / losses	10,496	1,184
Benefits paid	603	554
Present value of the defined benefit obligation at 31 March	(20,066)	(29,900)
Plan assets at fair value at 1 April	26,599	25,221
Prior period adjustment		-
Plan assets at fair value at 1 April -restated	26,599	25,221
Interest income	729	533
Remeasurement of the net defined benefit (liability) / asset:		
- Actuarial gain / (losses)	(379)	1,223
- Changes in the effect of limiting a net defined benefit asset to the asset ceiling	(6,643)	-
Contributions by the employer	86	104
Contributions by the plan participants	68	72
Benefits paid	(603)	(554)
Plan assets at fair value at 31 March	19,857	26,599
Plan surplus/(deficit) at 31 March	(209)	(3,301)

Note 37.2 Reconciliation of the present value of the defined benefit obligation and the present value of the plan assets to the assets and liabilities recognised in the balance sheet

	31 March 2023 £000	31 March 2022 £000
Present value of the defined benefit obligation	(20,066)	(29,900)
Plan assets at fair value	19,857	26,599
Net defined benefit (obligation) / asset recognised in the SoFP	(209)	(3,301)
Fair value of any reimbursement right	136	3,865
Net (liability) / asset after the impact of reimbursement rights	(73)	564

Note 37.3 Amounts recognised in the SoCI

	2022/23 £000	2021/22 £000
Current service cost	(392)	(441)
Interest expense / income	(76)	(106)
Past service cost	-	-
Gains/(losses) on curtailment and settlement	249	-
Total net (charge) / gain recognised in SOCI	(219)	(547)

The gain on curtailment and settlement is an adjustment to reflect the cost liability of Sheffield City Council in line with the terms of the current partnership agreement.

Note 38 Financial instruments

Note 38.1 Financial risk management

IFRS 7, 'Financial Instruments: Disclosures', requires disclosure of the role that financial instruments have had during the period in creating or changing the risks faced by the Trust. Because of the continuing service provider relationship that the Trust has with NHS 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 other businesses. The Trust has limited powers to borrow or invest surplus funds on their own and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried within the parameters defined formally within the Trust's Standing Financial Instructions and policies agreed by the Board of Directors.

Currency risk

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

Credit risk

As the majority of the Trust's income comes from contracts with NHS Clinical Commissioning Groups and public sector bodies, they have low exposure to credit risk. The maximum exposure at the end of the financial year would be in receivables from customers, as disclosed in the receivables note.

Liquidity risk

Most of the Trust's operating costs are incurred under contracts with NHS Clinical Commissioning Groups, local authorities and other government bodies which are financed from resources voted annually by Parliament. The Trust finances capital expenditure from funds from their cash reserves or through loans and funds from the PDC. Because of this, the Trust's exposure to liquidity risk is minimal.

Note 38.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2023

	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Trade and other receivables excluding non financial assets	10,965	-	-	10,965
Other investments / financial assets	-	-	-	-
Cash and cash equivalents	53,715	-	-	53,715
Total at 31 March 2023	64,680	-	-	64,680

Carrying values of financial assets as at 31 March 2022

	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Trade and other receivables excluding non financial assets	10,355	-	-	10,355
Other investments / financial assets	-	-	-	-
Cash and cash equivalents	58,757	-	-	58,757
Total at 31 March 2022	69,112	-	-	69,112

Note 38.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2023

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Obligations under leases	5,931	-	5,931
Trade and other payables excluding non financial liabilities	16,496	-	16,496
Total at 31 March 2023	22,427	-	22,427

Carrying values of financial liabilities as at 31 March 2022

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Trade and other payables excluding non financial liabilities	10,842	-	10,842
Total at 31 March 2022	10,842	-	10,842

Note 38.4 Maturity of financial liabilities

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

	31 March 2023 £000	31 March 2022 £000
In one year or less	17,621	10,866
In more than one year but not more than five years	2,232	-
In more than five years	3,118	-
Total	<u>22,971</u>	<u>10,866</u>

The fair value of the Trust's financial assets and financial liabilities at 31 March 2023 equates to book value.

Note 38.5 Fair values of financial assets and liabilities

The fair value of the Trust's financial assets and financial liabilities at 31 March 2023 equates to book value.

Note 39 Losses and special payments

	2022/23		2021/22	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	-	-	1	-
Fruitless payments and constructive losses	1	4	-	-
Bad debts and claims abandoned	-	-	6	4
Stores losses and damage to property	38	119	61	62
Total losses	39	123	68	66
Special payments				
Compensation under court order or legally binding arbitration award	-	-	-	-
Extra-contractual payments	-	-	-	-
Ex-gratia payments	12	2	4	1
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	12	2	4	1
Total losses and special payments	51	125	72	67
Compensation payments received				

Note 40 Gifts

No gifts to report for financial years 2022/23 and 2021/22.

Note 41 Related parties

Sheffield Health and Social Care NHS Foundation Trust is a corporate body established by order of the Secretary of State for Health.

During the year the Trust had transactions with several organisations with which key employees or directors of the Trust have some form of relationship. These are detailed below:

Related Party (Register of interest 2022/23)	2022/23		2022/23	
	Receipts from Related Party	Payments to Related Party	Amount due from related party	Amount owed to related party
	£'000	£'000	£'000	£'000
Sheffield Flourish	-	125	-	-
University of Sheffield	75	401	6	-
Nottingham City Care Partnership	-	2	-	-
	<u>75</u>	<u>528</u>	<u>6</u>	<u>-</u>

The relationships are:

- One Non-Executive Director is a board member at Sheffield Flourish and a Professor at University of Sheffield.
- One Non-Executive Director is a board member of Nottingham City Care Partnership

Amounts owed to related parties are unsecured, interest-free and have no fixed terms of repayment. The balances will be settled in cash. No guarantees have been given or received. No expenses are recognised in year in respect of bad or doubtful debts due from related parties.

The Trust is required, under International Accounting Standard 24 'Related Party Disclosures', to disclose any related party transactions. The objective of IAS 24 is to draw attention to the possibility that the reported financial results may have been influenced by related parties. The Trust deals directly with the organisations listed above without any influence from the individuals that sit within their positions of influence.

There were no direct payments to related parties for 2022/23 (2022/23 Enil). Further details of Executive and Non-Executive Directors' salaries and pensions can be found in the Remuneration Report in the Annual Report.

Other related parties

The value of SHSC's transactions with other related parties during the year is given below:

	2022/23		2021/22 (Restated)	
	Income	Expenditure	Income	Expenditure
	£000	£000	£000	£000
Department of Health and Social Care	2,242	-	830	-
Other NHS bodies *	139,425	2,444	132,775	2,413
Other WGA *	2	25,739	7	23,651
Other bodies *	8,454	15	7,748	384
	<u>150,123</u>	<u>28,198</u>	<u>141,360</u>	<u>26,448</u>

The value of receivables and payables balances held with related parties at 31 March 2022 was:

	2022/23		2021/22 (Restated)	
	Receivables	Payables	Receivables	Payables
	£000	£000	£000	£000
Department of Health and Social Care	456	-	383	136
Other NHS bodies *	8,314	1,207	2,469	716
Other WGA	260	3,846	484	3,631
Other bodies	1,246	-	2,745	651
	<u>10,276</u>	<u>5,053</u>	<u>6,081</u>	<u>5,134</u>

* Comparative figures for 2021/22 have been restated to correct a disclosure error in the prior year accounts.

The value of balances (other than salary) with related parties in relation to the provision for impairment of receivables as at 31 March 2023 have been raised where deemed appropriate.

The Department of Health and Social Care ("the Department") is the parent department of the Trust and is regarded as a related party.

During the year, the Trust had material transactions with the Department, and other entities for which the Department is regarded as the parent Department.

These entities are listed below:

- NHS South Yorkshire Integrated Care Board (from July 1st 2022)
- NHS Sheffield Clinical Commissioning Group (until June 30th 2022)
- Health Education England
- NHS England - Yorkshire and the Humber Local Office
- NHS England - Yorkshire and the Humber Commissioning Hub
- NHS Barnsley Clinical Commissioning Group (until June 30th 2022)
- NHS Derby and Derbyshire Integrated Care Board (from July 1st 2022)
- NHS Derby and Derbyshire Clinical Commissioning Group (until June 30th 2022)
- NHS Rotherham Clinical Commissioning Group (until June 30th 2022)
- NHS Doncaster Clinical Commissioning Group (until June 30th 2022)
- Derbyshire Healthcare NHS Foundation Trust
- Nottinghamshire Healthcare NHS Foundation Trust
- Rotherham Doncaster and South Humber NHS Foundation Trust
- Sheffield Children's NHS Foundation Trust
- Sheffield Teaching Hospitals NHS Foundation Trust
- Leeds and York Partnership NHS Foundation Trust
- NHS Resolution
- NHS Business Services Authority.

The Trust also had several transactions with central government departments and local government bodies, most significantly with:

- Sheffield City Council
- South Yorkshire Pension Authority
- HM Revenues and Customs

Note 42 Prior period adjustments

No prior period adjustments reported at 31 March 2023.

Section 6.0 Glossary

Accounts Payable (Creditor)

A supplier who has delivered goods or services in the accounting period and has invoiced the Trust, but has not yet been paid.

Accounts Receivable (Debtor)

An organisation which has received a service from the Trust in the accounting period and has been invoiced by the Trust, but has not yet paid.

AfC – Agenda for Change

Agenda for Change (AfC) is the current grading and pay system for NHS staff, with the exception of doctors, dentists, apprentices and some senior managers.

Amortisation

Depreciation of Intangible Assets.

Annual Governance Statement (AGS)

A statement about the controls the Foundation Trust has in place to manage risk.

Annual Accounts

Documents prepared by the Trust to show its financial position.

Annual Report

A document produced by the Trust which summarises the Trust's performance during the year, including the annual accounts.

Asset

Something which is owned by the Trust. For example, a building or a piece of equipment, some cash or an amount of money owed to the Trust.

Audit Opinion

The auditor's opinion of whether the Trust's accounts show a true and fair view of its financial affairs. If the auditors are satisfied with the accounts, they will issue an unqualified audit opinion.

Available Held for Sale (AHFS)

Assets are classed as available for sale if they are held neither for trading nor to maturity. An example of this would be an investment without a maturity date such as an ordinary share.

Budget

Represents the amount of money available for a service in a period of time and is compared to actual spend for the same period.

Capital Expenditure

Money spent on buildings and valuable pieces of equipment such as major computer purchases.

Cash and cash equivalents

Cash includes cash in hand and cash at the bank. Cash equivalents are any other deposits that can be converted to cash straight away.

Cash Equivalent Transfer Value (Pensions)

This is the total value of the pension scheme benefits accrued (i.e. saved up) which are the contributions paid by a member of staff and the Trust over the period of employment.

These funds are invested and valued at a point in time by an actuary. The cash equivalent transfer value is the amount which would be transferred, if a staff member moved to work for a different organisation.

Control Total

An agreed financial control total for all NHS Providers, calculated on a Trust-by-Trust basis and designed to ensure the NHS provider sector achieves financial balance.

Access to the Provider Sustainability Fund is dependent on agreement and delivery of the control total.

Corporation tax

A tax payable on a company's profits. Foundation Trusts may have to pay corporation tax in the future. The legislation introducing corporation tax to Foundation Trust has been deferred and 2011/2012 was the first year that Government introduced corporation tax to Foundation Trusts.

Care Quality Commission (CQC)

The independent regulator of all health and social care services in England.

CQUINs

Commissioning for Quality and Innovation payments framework were set up in 2009/10 to encourage care providers to continually improve how care is delivered.

Current Assets

These are assets, which are normally used or disposed of within the financial year.

Current Liabilities

Represents monies owed by the Trust that are due to be paid in less than one year.

Deferred Income

Funding received from another organisation in advance of when we will spend it.

Depreciation

An accounting charge which represents the use, or wearing out, of an asset. The cost of an asset is spread over its useful life.

EBITDA

Earnings Before Interest, Tax Depreciation and Amortisation - this is an indicator of financial performance and profitability and indicates the ability to pay the dividends due to the Government in respect of the 3.5% return on assets the Trust is expected to achieve.

EPR

Electronic Patient Record

External Auditor

The independent professional auditor who reviews the accounts and issues an opinion on whether the accounts present a true and fair view.

Finance lease

An arrangement whereby the party leasing the asset has most or all of the use of an asset, and the lease payments are akin to repayments on a loan.

Financial statements

Another term for the annual accounts.

Foundation Trust Annual Reporting Manual (FT ARM)

The guidance document, published annually by NHS England, sets out the accounting requirements for Foundation Trust's Annual Report. Previously included technical guidance on the Accounts, which is now provided within the Department of Health and Social Care (DHSC) Government Accounting Manual.

Going concern

The accounts are prepared on a going concern basis which means that the Trust expects to continue to operate for at least the next 12 months.

DHSC Government Accounting Manual (GAM)

Provides the accounting guidance for all NHS bodies, now including Foundation Trusts. Guidance specific to Foundation Trusts in respect of the Annual Report is still included in the Foundation Trust Annual Reporting Manual (FT ARM).

IFRS (International Financial Reporting Standards)

The professional standards organisations must use when preparing the annual accounts.

Impairment

A decrease in the value of an asset.

Income and Expenditure Reserve

This is an accumulation of transfers to / from the Revaluation Reserve as well as the cumulative surpluses and deficits reported by the Trust, including amounts brought forward from previous years.

Intangible asset

An asset which is without substance, for example, computer software.

Inventories

Stocks such as clinical supplies, medical equipment, pharmacy stock.

Liability

Something which the Trust owes, for example, a bill which has not been paid.

Liquidity ratio

Liquidity is a measure of how easily an asset can be converted into cash. Bank deposits are very liquid, debtors less so. The liquidity ratio is a measure of an entity's ability to meet its obligations, in other words how well it can pay its bills from what it owns.

MEA (Modern Equivalent Asset)

This is an instant build approach, using alternative site valuation in some circumstances.

Net Book Value

The net book value is the lower of the cost to the business to replace a fixed asset or the recoverable amount if the asset was sold (net of expenses).

NICE

National Institute for Health and Care Excellence. NICE provide independent, evidence based guidance on the most effective ways to prevent, diagnose and treat disease and ill health, reducing inequalities and variation.

NIHR

National Institute for Health Research. The NIHR is a large, multi-faceted and nationally distributed organisation, funded through the Department of Health and Social Care to improve the health and wealth of the nation through research.

Non-current assets held for sale

Buildings that are no longer used by the Trust and declared surplus by the Board, which are available for sale.

Non-current asset or liability

An asset or liability which the Trust expects to hold for longer than one year.

Non-Executive Director

These are members of the Trust's Board of Directors; however they do not have any involvement in the day-to-day management of the Trust. Their role is to provide the Board with independent challenge and scrutiny.

Operating lease

An arrangement whereby the party leasing the asset is paying for the provision of a service (the use of the asset) rather than exclusive use of the asset.

Payment By Result/Payment by Outcomes

A national tariff of fixed prices that reflect national average prices for hospital procedures. Already in use in acute Trusts and currently being developed for mental health and learning disabilities services.

POMH

The national Prescribing Observatory for Mental Health (POMH-UK) aims to help specialist mental health Trusts/healthcare organisations improve their prescribing practice.

Primary statements

The four main statements that make up the accounts: the Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Taxpayers' Equity; and Statement of Cash Flows.

Provisions for Liabilities and Charges

These are amounts set aside for potential payments to third parties, which are uncertain in amount or timing, for example, claims arising from litigation.

Provider Sustainability Fund (PSF)

PSF replaces the 'Sustainability and Transformation Fund' (STF) from year 2018/19 and it is the additional funding administered by NHS Improvement, which is intended to incentivise Trusts to achieve their Control Totals. It breaks down into three areas - Finance, General Distribution and Bonus.

Public Dividend Capital (PDC)

This is a type of public sector equity finance based on the excess of assets over liabilities at the time of the establishment of the predecessor NHS Trust. It is similar to a company's share capital.

Public Dividend Capital Payable (PDC Payable)

This is an annual amount paid to the Government for funds made available to the Trust.

Reference Cost

The costs of the Trust's services are produced for the Department of Health for comparison with other similar Trusts.

Revaluation Reserve

This represents the increase or decrease in the value of property, plant and equipment over its historic cost.

Section 136

Section 136 is part of the Mental Health Act that gives police emergency powers to detain an individual if they think they have a mental disorder, they're in a public place and need immediate help. A Section 136 suite is a facility for people who are detained by the Police under Section 136 of the Mental Health Act.

Service Line Reporting (SLR)

A system which identifies income and expenditure and then produces gross profit across defined 'business units', with the aim of improving quality and productivity.

System Oversight Framework

The System Oversight Framework is designed to help NHS providers attain, and maintain, ratings of 'Good' or 'Outstanding'. The Framework doesn't give a performance assessment in its own right. It applies from 1 October 2016 and replaces the Monitor Risk Assessment Framework and the NHS Trust Development Authority Accountability Framework.

South Yorkshire and Bassetlaw Integrated Care System (ICS)

Integrated Care Systems are a way of working, collaboratively, between a range of health and social care organisations, to help improve people's health. South Yorkshire and Bassetlaw ICS is a group of local Organisations that embrace similar aims in the provision of the broad spectrum of healthcare.

Statement of Cash Flows (SOCF)

Shows the cash flows in and out of the Trust during the period.

Statement of Changes in Taxpayers' Equity (SOCITE)

This statement shows the changes in reserves and public dividend capital during the period.

Statement of Comprehensive Income (SOCI)

This statement was previously called 'Income and Expenditure Account'. It summarises the expenditure on pay and non-pay running costs less income received, which results in a surplus or deficit.

Statement of Financial Position (SOFP)

A year-end statement which provides a snapshot of the Trust's financial position at a point in time. The top half shows the Trust's total net assets (assets minus liabilities). The bottom half shows the Taxpayers Equity or investment in the Trust.

Third Sector Organisations

This is a term used to describe the range of organisations that are neither public sector nor private sector. It includes voluntary and community organisations (both registered charities and other organisations such as associations, self-help groups and community groups), social enterprises, mutuals and co-operatives.

True and fair

It is the aim of the accounts to show a true and fair view of the Trust's financial position, that is they should faithfully represent what has happened in practice.

UK GAPP (Generally Accepted Accounting Practice)

The standard basis of accounting in the UK before international standards were adopted.

Unrealised gains and losses

Gains and losses may be realised or unrealised. Unrealised gains and losses are gains or losses that the Trust has recognised in its accounts but which are potential as they have not been realised. An example of a gain that is recognised but unrealised is where the value of the assets has increased. This gain is realised when the assets are sold or otherwise used.

Use of Resources Metric

The new approach replacing the previous Financial Sustainability Risk Rating. The Use of Resources rating measures 5 metrics; Capital Service Cover, Liquidity, Income and Expenditure Margin, Income and Expenditure Variance from Plan and Agency spend, with equal weightings (1 being the highest overall score). The Financial Sustainability Risk Rating previously only measured the first four on equal weightings.

VCSE

Voluntary, Community and Social Enterprise

Section 7.0 Contacts

Address

Sheffield Health and Social Care NHS Foundation Trust
Centre Court,
Atlas Way
Sheffield,
S4 7QQ

Telephone

0114 2716310 (24 hour switch board)

Website

www.shsc.nhs.uk

Communications

If you have a media enquiry, require further information about our Trust or would like to request copies of this report please contact the Communications Team.

Email: communications@shsc.nhs.uk

Telephone: 0114 2264082

Membership

If you want to become a member of the Trust or want to find out more about the services we provide, please contact the Board Secretary on 0114 2718825.

Contacting members of the Council of Governors

The Governors can be contacted by emailing governors@shsc.nhs.uk or by phoning 0114 2718825.

Freedom of Information

To make a Freedom of Information Act request, please email FOI@shsc.nhs.uk

For more information or if you would like this document provided in a different language or large print please contact:

Communications Department
Sheffield Health and Social Care NHS Foundation Trust
Centre Court,
Atlas Way
Sheffield,
S4 7QQ

Telephone: 0114 2264082

Email: communications@shsc.nhs.uk

