The Shrewsbury and Telford Hospital NHS Trust

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Annual Report

2023/24

Shrewsbury and Telford Hospital NHS Trust

Annual Report and Accounts 2023/24

Presented in accordance with the NHS Group Accounting Manual 2023/24

pursuant to the Companies Act 2006

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Foreword from the Chair and Chief Executive

In 2023 the NHS celebrated its 75th birthday and we were proud to take part in the local and national events that recognised and celebrated our fantastic colleagues and the diversity and innovation happening within the NHS. However, we also recognise that this has been another challenging year for the NHS nationally, and for our Trust locally. We have continued to balance intense demand for services, worked to reduce elective waiting times following the COVID-19 pandemic and maintained safe care for patients during continued industrial action. Despite the significant pressures, we have made progress during 2023/24 and established the necessary foundations to support the delivery of clinical and financial sustainability.

In October and November 2023 we were inspected by the Care Quality Commission (CQC). The CQC reported progress across a number of key areas and services, with the Trust improving its overall rating from 'inadequate' to 'requires improvement'. The report identifies the good progress happening in the Trust, but also that we need to continue our focus on improvement as we strive to deliver excellent care for all our communities. We are proud of the way our valued colleagues have led improvements and the commitment to learning. The report reinforces the work still to do and we will build on our progress and incorporate the learning into our approach.

The CQC report also showed significant improvements are required across the urgent and emergency care pathway to improve patient experience with a number of 'requires improvement' and 'inadequate' ratings across both hospital sites. We continue to face significant pressures, particularly within our Emergency Departments, and this is impacting on the experience of our patients and the wellbeing of colleagues. This is a national challenge, however we recognise that we have additional local challenges, including capacity, workforce pressures, estates and digital infrastructure, that can contribute towards longer waiting times in some specialties. We are committed to doing everthing we can to improve flow, through and out of our hospitals. We are grateful for the dedication, care and compassion shown by our colleagues and also their willingness to trial new ways of working.

In 2023/24 we welcomed additional investment to expand our Same Day Emergency Care services and also worked with the Shropshire Community Healthcare NHS Trust to open two wards in January 2024 to support patients with their recovery and rehabilitation. Through these new initiatives we are making steady improvements. However we recognise that there is still

some way to go to reduce the significant number of patients waiting to be seen and to be admitted to an inpatient bed.

We will continue to drive forwards our Urgent and Emergency Care Transformation Programme, which aims to reduce waiting times and improve the experience for everyone. We would like to thank patients for their understanding and patience during this challenging time, and we remain focussed on and committed to this improvement.

Our clinical and operational teams have made significant progress in reducing 'planned care and treatment' waiting times for patients. We have eradicated 104 and 78 week waits and made marked progress in reducing 65 week waits from 20,231 in April 2023 to 378 (English) patients remaining, against our reforecast plan of 550 at the end of March 2024. We have made significant progress towards the Cancer Faster Diagnostic Standard, achieving 74.2% in March 2024. Whilst narrowly falling short of the national target of 75%, we want to recognise the incredible amount of work that has taken place, especially considering the impact of industrial action. Our teams worked tirelessly to maintain safe services, prioritise cancer care and minimise disruption for patients. In 2024/25 we will maintain this momentum, seeking to restore our waiting lists in line with national standards.

The operational and workforce pressures have also impacted on our financial position. At the end of the financial year, our deficit is £54.6million contributing to a systemwide deficit of £72.5m. We are committed to restoring financial balance and throughout 2023/24 our clinical, operational and finance teams have worked together to identify opportunities to reduce our deficit. This included a significant reduction in expensive agency spend, improving workforce rostering and reducing our vacancies to 2.1% through effective recruitment. Together our divisional teams have achieved £18.9m of cost improvement programme (CIP) efficiencies, a significant improvement compared to 2022/23, and we are building on this for 2024/25. Alongside improved processes and internal monitoring, this is setting the necessary foundations in place to help us restore financial balance in the longer term. We have set an ambitious and stretching plan for 2024/25 and will be embracing new ways of working in the short, medium and long-term that will help us increase productivity and restore clinical and financial balance in the future. We are committed to safe staffing levels across our services and will not compromise on patient safety. We also want to work with patients, colleagues and partners to understand their ideas and

suggestions. We know this will take time, and that we cannot do this in isolation, however we are committed to delivering financial balance as a Trust and as a system partner.

We will continue to prioritise our long-term transformation programmes, as we strive towards delivering excellent care for our patients. This includes building on our Maternity Transformation Programme and in April 2024 we will hold our final Ockenden Report Assurance Committee (ORAC) meeting which will reflect on our journey since the first and final Ockenden Reports were published in December 2020 and March 2022. The final ORAC reflects our progress, with 178 actions delivered as at the end of March 2024, putting us ahead of our delivery plan. We are working at pace to address the outstanding actions, engaging with external partners where necessary change is outside our control. We will continue to maintain a strong focus on maternity transformation, through our Quality and Safety Assurance Committee, to ensure we continue to embed and sustain meaningful change.

We have made many positive and tangible improvements to our maternity services, which is thanks to feedback from and engagement with our service users and families, as well as the commitment and dedication of colleagues and system partners. There is still further work for us to do and we are committed to providing safe and compassionate care and to ensuring meaningful engagement, working with women and families as we continue to improve our services.

During 2023/24 we progressed our Capital Estates Programme, providing more modern facilities that will improve care and outcomes for the communities we serve. In October 2023 we were proud to open the Community Diagnostics Centre (CDC), in Telford, following £10.5million of national funding. Since opening we have delivered over 30,000 screening appointments. The purpose-built CDC provides the community with quicker access to tests and scans. Further services will be introduced in early 2024 as part of our commitment to delivering care closer to home.

It is fantastic to see the development work taking place at both hospitals. In summer 2024 we expect to complete the second phase of works at the Princess Royal Hospital with the opening of the new Elective Hub. The first patients are expected to be seen in June 2024. The new facility will consist of four modern operating theatres and additional recovery beds, supporting shorter waiting times and an improved, high quality healthcare environment for patients to receive their

care. During 2024 we will continue to improve waiting times for cancer patients, through the new Gamma Camera building and an additional medical linear accelerator (LINAC), which supports radiation treatment, on the Royal Shrewsbury Hospital site.

Our Hospitals Transformation Programme (HTP) is our biggest undertaking and is a vital part of the Trust and wider ICS' strategy, to deliver better health outcomes and a vastly improved experience for our communities. In December 2023 we received national approval for the Outline Business Case and enabling works on the Royal Shrewsbury Hospital site started in early 2024. In May 2024 we received national approval for the Full Business Case (FBC), which will release significant funding to transform services. We anticipate full building works will commence during 2024/25 and we will continue to involve patients, communities and colleagues throughout.

We are also committed to sustainable and considerate construction, working with our contractors. We are pleased to have been awarded £16.2million from the Salix Public Sector Decarbonisation Scheme (PSDS) to support us in our net zero carbon ambitions, striving to deliver a greener NHS for our patients, colleagues and communities. Through a multi-year programme we will be upgrading our estates, including the installation of solar panels and more electric charging points for vehicles and supporting greener ways of working.

2024/25 will also be a critical year for our digital infrastructure, with the replacement of our 20-year-old patient administration system (PAS) in April 2024. This is the first phase of our multi-million Electronic Patient Record transformation. The new PAS is the foundation to other transformative systems, providing clinicians with more modern tools to improve patient experience, flow and integrated working.

We could not deliver our significant transformation work without the support and dedication of our incredible colleagues and volunteers. We are pleased that the 2023 NHS Staff Survey results show we have significantly improved in all nine elements of the People Promise and themes. This shows that our culture improvement programme is making a positive difference, though we recognise we have much more work to do too. As a Board, we will continue our cultural and leadership improvement journey and in 2024/25 will publish our People Strategy, which will outline our strategic priorities to our people for 2024-2030. Fundamental to our plans is strengthening an inclusive culture of diversity, innovation and continuous improvement to support us in delivering outstanding care for our patients.

We would also like to recognise and thank our partners, across Shropshire, Telford and Wrekin, mid-Wales and our neighbouring trusts, for their ongoing support. In particular, our local NHS providers as we seek to form a provider collaborative to enable greater integration and innovation locally. We value our relationships with Healthwatch, voluntary sector and multi-agency partners as we seek to reduce inequalities and improve the wellbeing of our local communities.

Finally, thank you to all our patients, services users, families, and to our community. We are incredibly grateful for everyone's involvement, feedback, and for their continued support as we strive to deliver excellent care for everyone.

Dr Catriona McMahon
Trust Chair

Louise Barnett
Chief Executive Officer

Part one:

Performance Report

Performance Overview

This section of our report provides detail as to what it is that we do here at SaTH, who we are, and our values and ambitions. It outlines the principal risks that the Trust faces in the delivery of our strategy and objectives and provides some details on how we performed over the financial year, 1 April 2023-31 March 2024.

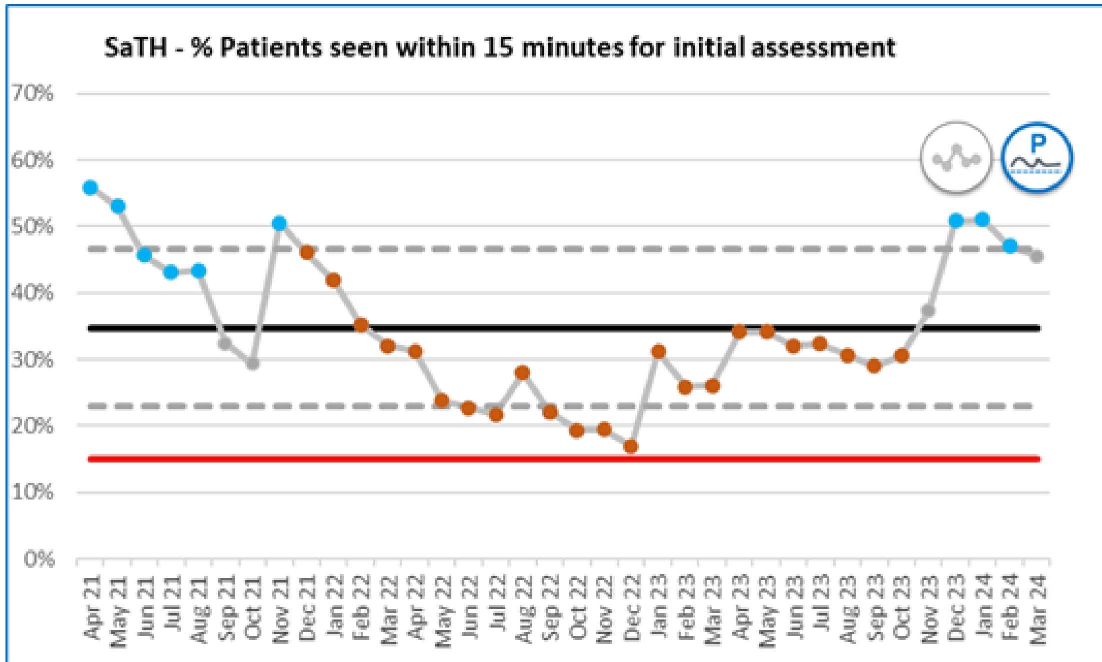
Statement from the Chief Executive

Pressures on our urgent and emergency care services remained high throughout the year with poor performance against national A&E standards, including the four-hour standard and ambulance hand over. As a result of the performance challenges, the system was placed into Tier One recovery with additional improvement support and monitoring of Urgent and Emergency Care (UEC) metrics.

Improvement work has been undertaken within UEC over the past year. An Emergency Care Transformation Programme (ECTP) has been created to focus improvement efforts. This programme has five workstreams – clinical quality, culture, governance and risk, communications and environment, pathways and flow. A further Medicine Transformation Programme is being developed using the same methodology. This will have four workstreams – clinical quality, culture, frailty and ward processes. These two transformation programmes will feed into the Urgent and Emergency Care Transformation. We are grateful for the support available through the NHSE Tier 1 arrangements and will continue to report on our progress regularly.

The acute floor reconfiguration at Royal Shrewsbury Hospital (RSH) came into effect in December 2022 and in addition, nine monitored enhanced care beds were introduced on the acute floor in January 2024. The Same Day Emergency Care (SDEC) facility moved adjacent to the acute floor in October 2023. This enabled the acute medicine team to be co-located and create some efficiencies in the way they work. A test of change week was undertaken with the support of KPMG in November 2023 at RSH and February 2024 at Princess Royal Hospital (PRH). The focus on the test of change week was to increase the “pull” of patients from the Emergency Department (ED) so that patients are treated in the right place, by the right teams, reducing the waits in ED for patients who can be treated by the acute medicine team and then discharged. A similar acute floor model is being planned for PRH in the summer of 2024.

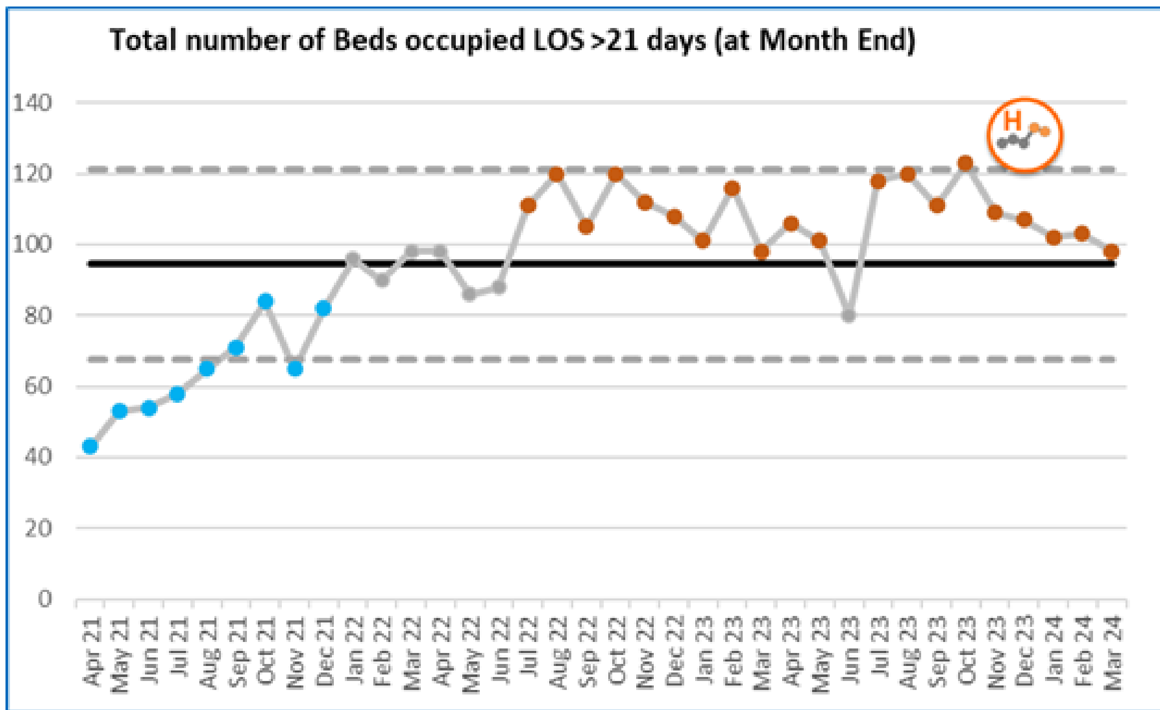
Improvement work has progressed on initial assessment and triage, reducing the wait to initial assessment and improving performance against the 15-minute initial assessment standard.



Further improvement is expected to be seen in this metric as there is a plan to move the Urgent Treatment Centre (UTC) to an alternative area in May 2024 which will create additional space for paediatric initial assessment.

Ward processes and a reduction in patients that have a stay over 21 days has also been a focus of improvement activity in 2023/24. We have set up weekly meetings with both local authorities and Powys Health Board to review patients who have no criteria to reside and ensure all patients have a clear plan for discharge. We are also routinely undertaking a full weekly ‘Check, Chase, Challenge’ on each ward to support escalation and ensure there is a clear plan for each patient. This process takes one day, per site, twice a week, and involves ensuring that each of the patients that remain within hospital has a plan to meet their expected date of discharge.

Number of patients in hospital with a length of stay (LOS) of 21 days or more:



We have reviewed our Hospital Full Policy to provide the escalation bed space detail and when it is appropriate to utilise, dependent on the Operational Pressures Escalation Level (OPEL) of the two sites. This supports our clinical teams to utilise additional areas in times of high escalation to support patient flow and reduce overcrowding in the Emergency Department.

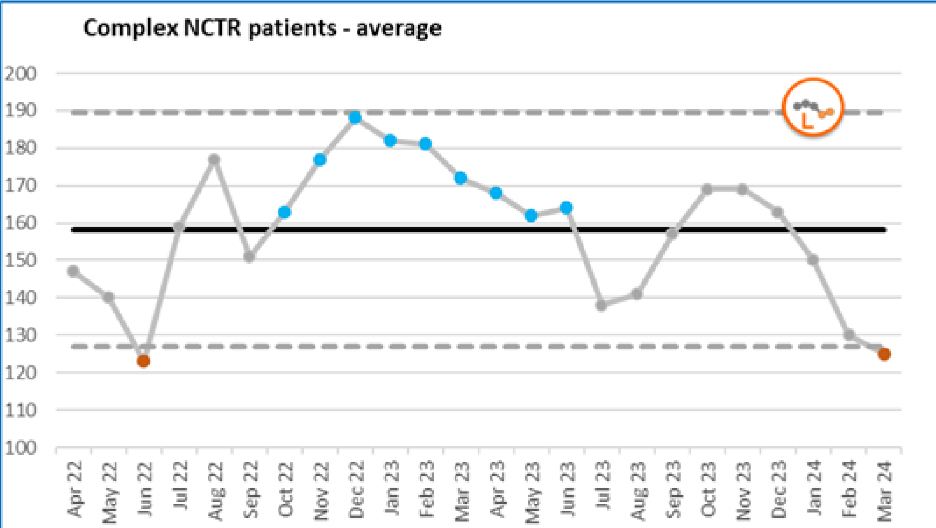
We continue to work closely with our system partners to support patient flow and create new models of care. We have continued to work with our clinical teams to increase the utilisation of the Virtual Ward. As can be seen from the table below, there has been significant variation in the referral rates across the year.

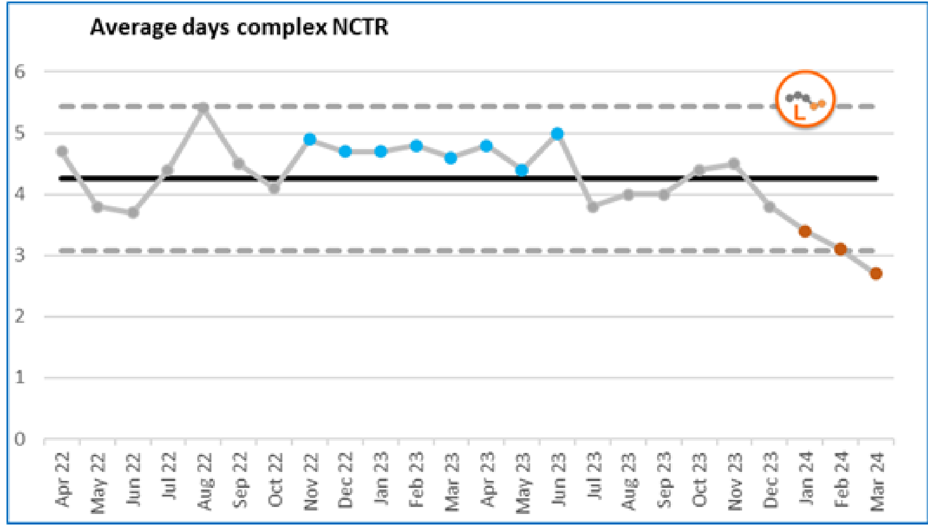
Virtual Ward referral rates, May 2023-February 2024:

Monthly Step up / step down	May	June	July	August	September	October	November	December	January	February
Step up A&E PRH	29	30	29	23	29	45	33	32	37	29
Step up A&E RSH	28	25	34	14	16	32	35	20	26	39
Step Down SaTH PRH	12	48	63	27	40	58	31	38	35	22
Step Down SaTH RSH	13	36	43	22	23	43	36	39	36	33
SaTH TOTAL	**82**	**139**	**169**	**86**	**108**	**178**	**135**	**129**	**134**	**123**

Two new Rehabilitation and Recovery wards have been developed, one on each site, managed by Shropshire Community Health NHS Trust (SCHT). The wards were opened in January 2024 and in quarter 4 supported patients with No Criteria to Reside (patients who no longer meet the 'Criteria to Reside' in a hospital bed). The future model will support patients from orthopaedics, stroke and frailty in their sub-acute phase of illness.

The number of patients that are deemed No Criteria to Reside requiring support on discharge has reduced since December 2023 and has remained under 140 since the end of January 2024. As a result of effective partnership working across health and care, this, along with a reduction in length of stay for patients once they have been determined as No Criteria to Reside (NCTR) to their discharge date, has reduced the bed days occupied by patients waiting for ongoing care.





Throughout 2023/24 we saw a number of strikes across the NHS and public sector. The Trust planned effectively to mitigate the risk to patients over the period whilst supporting colleagues who wished to take industrial action. We did this by planning to ensure that all shifts that would routinely be undertaken by a junior doctor were covered by a clinical professional. We ensured that we maintained all urgent inpatient operating and all urgent outpatient attendances. We also kept cancelletions of appointments to a minimum.

Moving into 2024/25, the Trust continues to work closely with its regulators to improve its provision of healthcare, and to work towards its vision to provide excellent care for the communities we serve. Our 'Getting to Good' framework has remained in place through 2023/24 with a weekly Operational Delivery Group which reviews the actions undertaken by the Trust to support progress. The Trust remains rated at level 4 against the NHS Oversight Framework and is provided with mandated support through the National Recovery Support Programme.

As we look forward to 2024/25, there are exciting developments for the Trust as we move forward with the Hospital Transformation Programme (HTP) and we have recently undetaken phase one to replace the 20-year-old Electronic Patient Record system across the organisation.

About the Trust

The Shrewsbury and Telford Hospitals NHS Trust was established in its present form on 1 October 2003 and brought together healthcare organisations in Shrewsbury, Telford and Shropshire. The Trust is spread across several locations, with the main sites of Royal Shrewsbury Hospital (RSH) and The Princess Royal Hospital (PRH) in Telford, being positioned approximately 15 miles apart. Outreach and outpatient clinics managed by the Trust are also provided at Whitchurch Community Hospital, Bridgnorth Community Hospital, Ludlow Community Hospital, and the Wrekin Community Clinic. The Trust serves a community of circa 500,000 service users across Shropshire, Telford and Wrekin, and mid-Wales.

The Trust's management structure comprises four clinical divisions led by clinician and management partnerships, and one corporate division (including departments such as finance, estates, facilities, human resources, governance and risk). These are: Medicine &

Emergency Care Division, Surgery, Anaesthetics & Cancer Division, Women and Children's Services Division, Clinical Support Services Division and Corporate Services.

The two main hospitals provide a wide range of acute hospital functions including Accident & Emergency, outpatients, diagnostics, critical care and inpatient medical care. The Trust has over 700 beds in total (including adults and children's).

PRH became the specialist centre for inpatient head and neck surgery in 2013, following the establishment of enhanced outpatient facilities and a dedicated head and neck ward. It is also the main centre for inpatient women and children's services following the opening of Shropshire Women and Children's Centre in 2014. RSH became the main specialist centre for acute surgery with a surgical assessment unit, surgical short stay unit and ambulatory care facilities. In 2022 cardiology services were also centralised at PRH.

In November 2023 the renal dialysis service moved from the PRH site to a new purpose designed facility for lower risk patients. The new facility will allow the Trust to meet future demand, together with updating the previous facility into a new inpatient ward.

Our programme of improvement has continued during the year with the £24million NHS England (NHSE) investment in the development of the Elective Hub.

The opening of phase 1 of the Elective Hub was delayed, however, associated elective activity commenced in July 2023, at reduced levels. The Elective Hub was handed over to the Trust in May, with the first patients being seen in early June after a period of staff orientation and training. This facility is aligned with our Hospital Transformation Programme (HTP) and is an important pillar in our referral to treatment (RTT) and cancer recovery plan during 2024/25, providing improved operating theatres including one additional theatre, and ringfenced beds for elective day case patients.

The first two phases of our new Community Diagnostic Centre (CDC) opened on the ground floor of Hollinswood House, Telford, in October 2023 and January 2024 respectively, providing additional non-urgent diagnostic capacity in phlebotomy, CT, ultrasound and MRI - supporting improvement towards the national diagnostic standard.

The Trust had 8157 people (at 31 March 2024), of which 7123 whole time equivalent are employed in a substantive capacity, 1479 are bank only colleagues and 278 are volunteers. With on-going recruitment campaigns, the Trust has increased the substantive whole time equivalent workforce by 369 over the last 12 months. With 153 vacancies, we continue to have hard to fill roles which are impacting services, employee work experience and driving agency costs within theatres, pharmacy, cardiology, paediatrics, urology, emergency departments and Nursing Associates.

In line with the revisions to NHS England's oversight and support arrangements, NHS England has stood down all existing SaTH Safety Oversight and Assurance Committee meetings and STW ICB oversight meetings, replacing these with revised oversight arrangements which bring together the key areas of focus, aligned to NOF4. The organisation continues to work collaboratively in achieving its performance priorities and progressing the delivery of the Trust's Quality Improvement Plan ('Getting to Good').

'Getting to Good' is a three-year improvement programme. This critical programme is helping to drive and embed change throughout the organisation, ensuring that any improvements we make now and in the future are high quality and sustainable. The programme will continue to be further progressed with regular monitoring, oversight and embedded assurance processes of additional improvements to ensure that we continue to strive to improve the quality of care which we provide for our patients.

The Care Quality Commission

The last CQC inspection report for the Trust was published on 15th May 2024 following the inspection of the five core services: Urgent and emergency care; medicine;pallative & end of life care; maternity and children & young people, which took place in October 2023 and was followed by the well-led inspection in November 2023. A copy of the inspection report can be found on the CQC's website at https://www.cqc.org.uk/provider/RXW

Improvements were noted by the CQC and the Trust moved to an overall rating of "requires improvement" from the previous "inadequate" rating.

Our current CQC ratings can be seen below:

Overall	Safe	Effective	Caring	Responsive	Well Led	Overall
Royal Shrewsbury Hospital	Requires Improvement	Requires Improvement	Requires Improvement	Requires Improvement	Requires Improvement	Requires Improvement
Princess Royal Hospital	Requires Improvement	Requires Improvement	Good	Requires Improvement	Requires Improvement	Requires Improvement
Trust Overall	Requires Improvement	Requires Improvement	Good	Requires Improvement	Requires Improvement	Requires Improvement

The Trust has continued to implement and embed improvement actions following the inspection. Further detail can be found within our 2023/24 Quality Account on our website.

The Trust's Strategic Direction, Vision and Values

In response to the NHS Long Term Plan and in collaboration with our partners across Shropshire, Telford and Wrekin Integrated Care System (ICS), the system-wide five-year Integrated Care Strategy has been developed, which focusses on the needs of our local population. In addition, parallel to this the system published our first ICS Fiveyear Joint Forward Plan (JFP) which describes how services are planned to develop and transform to meet our populations physical and mental health needs over the next five years which is aligned to the ICS four core purposes of:

- improving outcomes in population health and healthcare
- tackling inequalities in outcomes, experience and access
- enhancing productivity and value for money
- helping the NHS to support broader social and economic development

The main principles of the Joint Forward Plan are to ensure that it is:

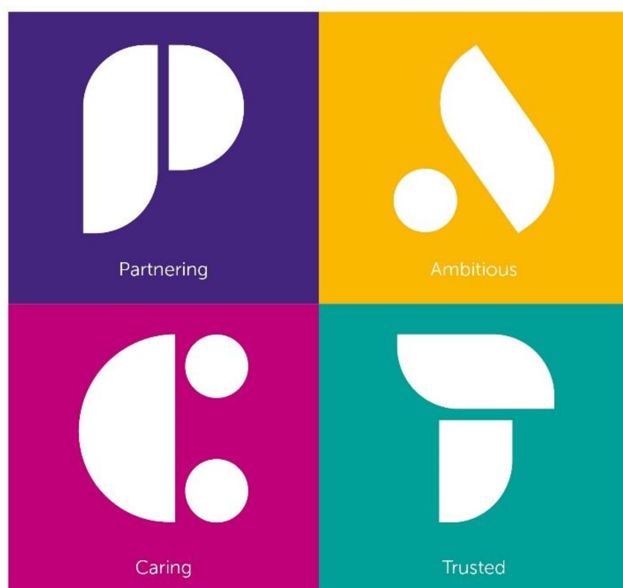
- Aligned with the wider system partnerships' ambitions
- Supporting and building on existing local strategies and plans
- Delivery focused

SaTH was a core contributor to the JFP, and ensured that our strategic themes and major programmes of work were placed in context as part of the overall health and care system. As an organisation we continue to strengthen our relationships and work collaboratively with all of our partners to develop and progress our Strategies, plus Operational, System Improvement and Resource Plans for 2024/25; as part of this, the Trust continues to review opportunities for further collaborative working that enhances our local population health and wellbeing needs through place-based working and provider collaboratives.

In December 2022, the Trust launched its revised overarching Trust strategy, and we reviewed progress during 2023/24. The 2022-27 Trust Strategy sets out our ambition over the next five years, detailing the ways in which we will improve the delivery and quality of care, support and develop our workforce, address key challenges and further develop a culture of improvement across the organisation. Crucially, it also describes the values and behaviours to which we are committed. We published the Trust's Clinical Services Strategy in 2023 which provided the strategic context for our acute hospital-based services, as well as SaTH's clinical role in the wider system. During the last 12 months significant work has been undertaken to ensure continued alignment internally, with the wider Integrated Care Board's strategic direction and the strategies of our partners.

Our Values

Our values help shape our behaviours and thinking, leading to better outcomes for our patients and staff. We developed our values by listening to feedback from colleagues across the Trust, using what we know about future service configurations and best practice, and innovative ideas from people to support, that are proven to work.



Partnering

Working effectively together with patients, families, colleagues, the local health and care system, universities and other stakeholders and through our improvement alliances.

Ambitious

Setting and achieving high standards for ourselves personally and for the care we deliver, both today and in the future. Embracing innovation to continuously improve the quality and sustainability of our services.

Caring

Showing compassion, respect and empathy for our patients, families and each other, caring about the difference we make for our community.

Trusted

Open, transparent and reliable, continuously learning, doing our best to consistently deliver excellent care for our communities.

Our Progress In-Year

Extensive work has been undertaken over the last 12 months in relation to embedding and aligning our Trust strategy, enabling strategies and programmes of work from both an internal and external perspective. A yearly review of our progress focussing on our six strategic themes has been undertaken with an update given to the Board of Directors in February 2024.

In-Year Achievements include

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Improved awareness and governance with regular Trust Board of Directors updates
Improvement in staff survey results
Revision and alignment of key supporting strategies such as our clinical services strategy, research and innovation strategy, palliative & end of life strategy
Commencement of NHS Impact (Improving Patient Care Together) programme
Commencement of reviewing our performance management framework including reporting dashboards
Extensive work on quality improvement in relation to our CQC inspection and “Getting to Good” programme of work
Focus on “Getting it Right First Time” (GIRFT) programme which includes numerous transformation programmes of work that contribute to our strategic direction such as Urgent and Emergency Care (UEC), Planned Care, Cancer, Maternity, Theatres, Outpatients
Implementation of best practice and NICE Guidance

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Collaborative working with established networks, partners and providers
Hospital Transformation Programme (HTP) progress
Implementation of our Digital Strategy and electronic patient record (EPR) programme
Supporting systemwide programmes of work such as Local Care Transformation Programme (LCTP), Place and the development of Provider Collaboratives
Medium Term Financial recovery plan
Improved operational planning process aligned to our strategic themes
Cultural shift and awareness of our strategy
Strengthened collaborative working with partners through the development of our systems Joint Forward Plan, Public Health Management, Health Inequalities, Place Based Delivery and neighbourhood working and Provider Collaboratives

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Building on Our Achievements

We are committed to building on our achievements to date working collaboratively with our people and partners to deliver our vision "to provide excellent care to the communities we serve". We will continue to review and update our Trust strategies to not only confirm the Trust's vision for our staff, but also to align SaTH's ambitions with those of our partners in the ICS.

Hospital Transformation Programme (HTP)

Introduction

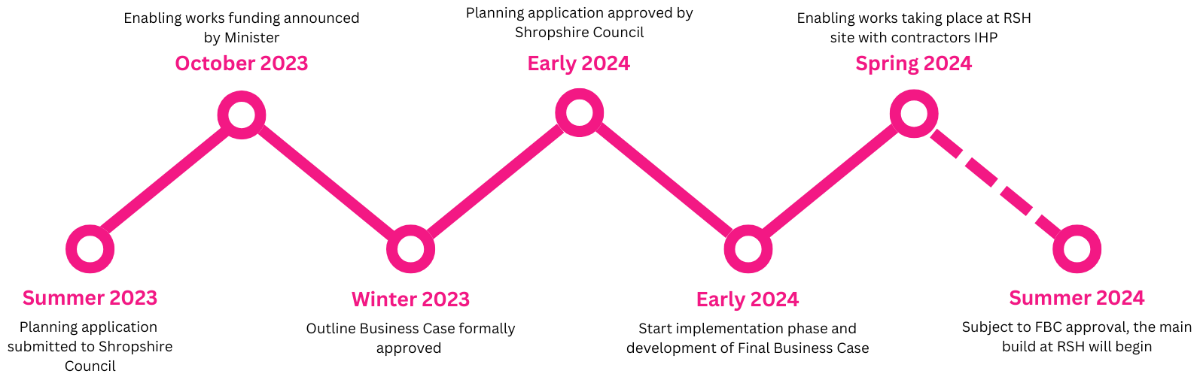
Through our Hospitals Transformation Programme (HTP) we are committed to delivering two thriving hospitals and making the most of our clinical services, specialist staff and space (estates) at both sites. The clinically led HTP plans will see the Princess Royal Hospital (PRH) site specialising in planned care, and the Royal Shrewsbury Hospital (RSH) site specialising in emergency care. In addition to this, 24/7 enhanced urgent care services will be available at both our hospitals. By separating planned care and emergency care, we can improve care for local people and deliver a healthier and more attractive place for our colleagues to work.

The national investment will help support the Trust's, and wider health and care system, ambitions of delivering high quality, sustainable services for patients in modern facilities. HTP is a key component of the Integrated Care Board's (ICB) Joint Forward Plan (JFP), and the health system's plans for healthcare in Shropshire and Telford and Wrekin. It is also a key part of the plans for the health system in mid-Wales.

The clinically led programme will provide faster access to the right care and clinicians. It will result in shorter waiting times for planned surgeries and shorter hospital stays for our patients. We will also continue our ongoing investment at both hospitals and the further development of community-based services to reduce waiting times and improve patient experience.

Our progress

Throughout 2023/24 we have significantly progressed our plans for this much needed investment.



In December 2023, the national Independent Reconfiguration Panel re-affirmed that the Hospitals Transformation Programme is the best way forward to improve acute hospital services for Shropshire, Telford and Wrekin and mid-Wales. This includes the plans for the 24/7 enhanced urgent care service at the Princess Royal Hospital.

In December 2023 we also received national approval for our Outline Business Case and funding was released to support enabling works on site. In another significant milestone, we appointed Integrated Health Projects (IHP) as our design and construction partner to progress HTP. IHP bring a wealth of experience in large-scale construction, as well as offering genuine opportunities for local businesses. In January 2024 Shropshire Council granted full planning permission for the Royal Shrewsbury Hospital development.

In May 2024 we received national approval for our Full Business Case, which is the final stage of approval. This releases the full £312million investment in local services and means implementation of a new model of healthcare in the county, including construction, can now begin.

We will be continuing to keep local communities, patients and colleagues involved at every stage of the works, to help design a positive experience for everyone.

HTP - Internal staff information drop-in sessions (held monthly at both sites):

Tackling Health Inequalities – annual report 2023/24

SaTH recognises that we have an important responsibility in addressing health inequalities, and the objective is to ensure that tackling inequalities in access, experience and outcomes of healthcare services is central to everything we do.

Health inequalities are unfair and avoidable differences in health across the population between different groups within society. These include how long people are likely to live, the health conditions they may experience and residents experience of and access to care.

National research shows that people living in areas of high deprivation, those from black, Asian and minority communities and those from inclusion health groups (e.g. homeless) are most at risk of experiencing health inequalities.

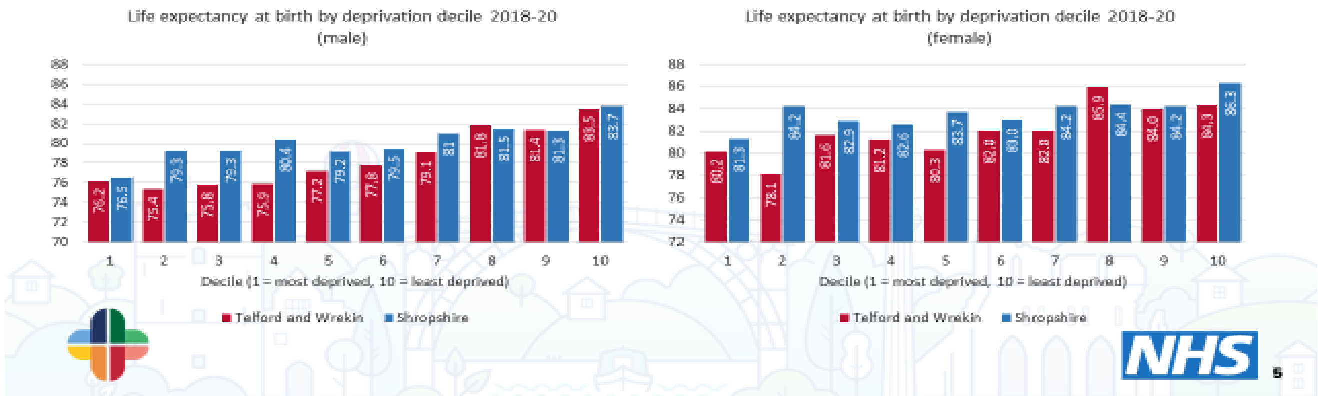
SaTH is a key partner of the ICS Prevention & Health Inequalities Board and works collaboratively with system partners, proactively contributing to many of the health inequalities workstreams, where appropriate, across Shropshire, Telford and Wrekin (STW). Our ambitions are fully aligned with STW ICS pledges to tackle the problems of ill health, health inequalities and access to healthcare through a shared approach to ensuring health inequalities are mainstream activity that is core to, and not peripheral to, the work of the NHS. Life expectancy

is the lowest in the most deprived 20% of areas (Decile 1 & 2 below) and there is a gradient in life expectancy by deprivation in both Telford and Wrekin and Shropshire. Inequality in life expectancy is largest in Telford & Wrekin compared to Shropshire. However, both local authorities have smaller gaps compared with their statistical neighbours. Inequalities in life expectancy has been increasing over the last decade but in 2016-2018 in Telford and Wrekin started to decrease.

Inequality in Life Expectancy

In both Shropshire and Telford and Wrekin life expectancy at birth is lower in the most deprived areas than in the least deprived areas.

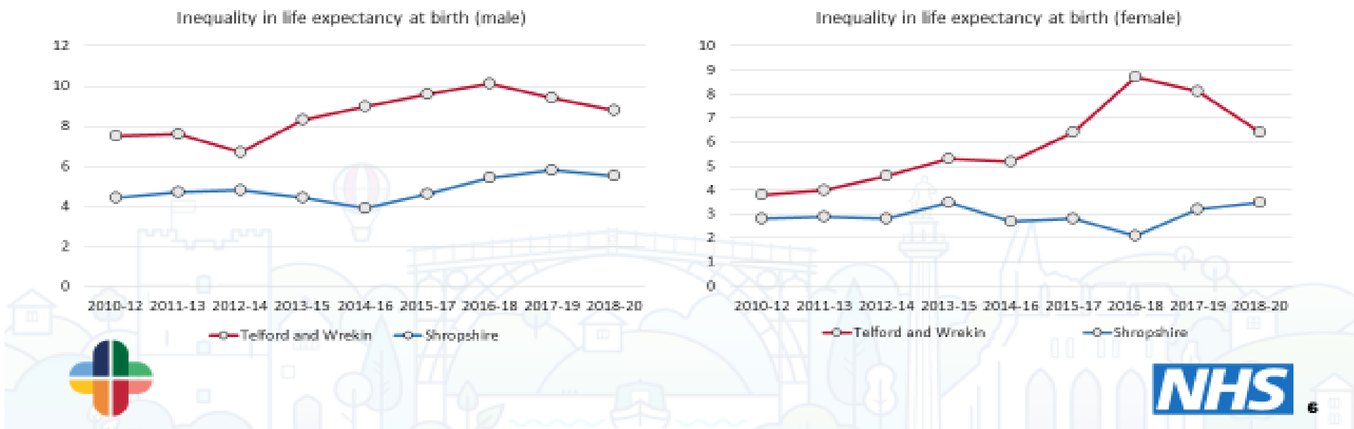
However life expectancy at birth in the most deprived parts of Telford and Wrekin is considerably lower than in the most deprived parts of Shropshire.



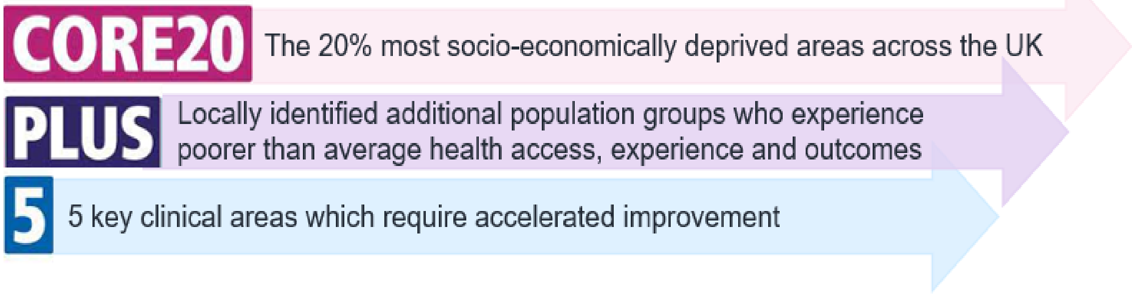
Inequality in Life Expectancy – Slope Index

Slope index of inequality in life expectancy shows that inequality in life expectancy for both men and women in Shropshire and in Telford and Wrekin was greater in 2018-20 than in 2010-12.

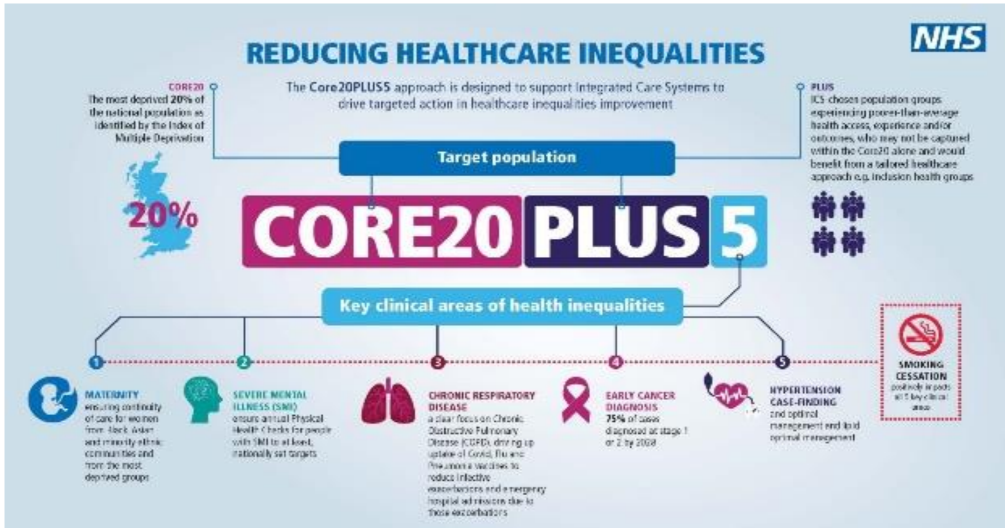
Inequality for men and women in 2018-20 was greater in Telford and Wrekin than in Shropshire.



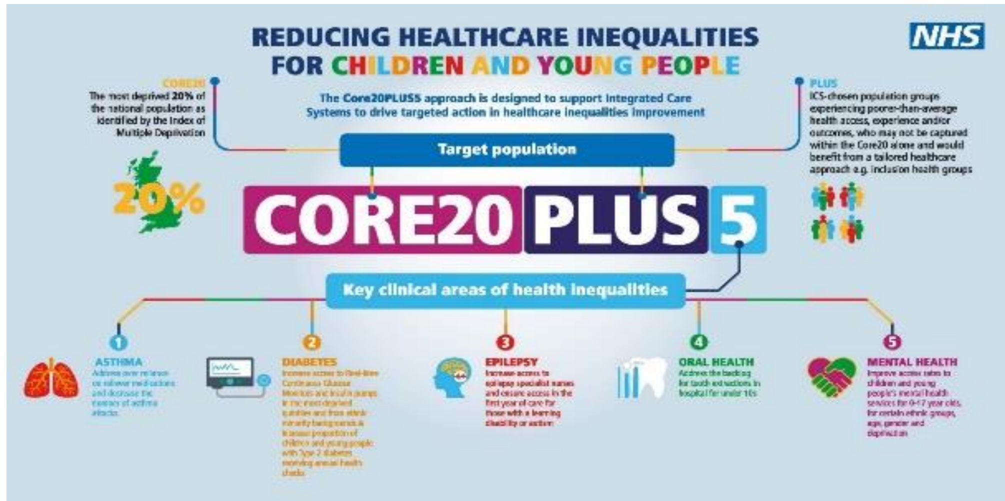
According to the 2021 Census, there are 60,100 people living in the 20% most deprived areas nationally in Shropshire, Telford and Wrekin, of which 45,400 live in Telford and Wrekin and 14,700 live in Shropshire. These areas are those to which the National 'Core20' approach to improvements in health and healthcare inequalities are targeted. There are also a range of other excluded groups that we have considered locally as part of this approach, for example, those with a learning disability and households at risk of rural exclusion.



Core20PLUS5 Approach to Reducing Healthcare Inequality for Adults:



Core20PLUS5 Approach to Reducing Healthcare Inequality for Children and Young People:



Health Inequalities - our Progress In-year

There are five priority objectives which underpin the National Healthcare Inequalities Improvement Programme and remain central in the 2023/24 Operational Planning Guidance to ensure focused action continues to take place:

1. **Restore Services Inclusively**
   Using local data to plan the inclusive restoration of healthcare services, ensuring that waiting list performance reports are delineated by ethnicity and deprivation.
2. **Mitigating Against Digital Exclusion**
   Enabling robust data collection to identify which populations are accessing face-to-face, telephone and virtual consultations (broken down by relevant protected characteristic) and ensuring the impact of digital innovation is assessed, considered and mitigated.
3. **Ensuring Datasets are Complete and Timely**
   To improve the collection and recording of ethnicity data across primary care, outpatients, A&E, mental health, community services and specialised commissioning.
4. **Accelerating Preventative Programmes**
   Driving initiatives which focus on the prevention of long-term conditions including those focused on lifestyle-related risk-factors and the clinical areas outlined in the Core20PLUS5 for Adults and Children & Young People.
5. **Strengthen Leadership and Accountability**
   Ensuring named executive leads are appointed for tackling health inequalities, improving awareness and knowledge of the workforce and supporting access to relevant training and development.

In 2023, we commenced an evaluation of progress against these objectives and identified that we needed to strengthen our coordinated leadership across Prevention and Health Inequalities both internally and within the wider system with a view to improving governance and accelerating progress in 2024. This led to the following actions:

- Newly established Systemwide Public Health Management and Prevention and Health Inequalities Boards
- The development of a high-level implementation plan which identifies 20 local priority objectives and 37 programmes of work across the system with a robust reporting and monitoring framework embedded to provide oversight of progress made against actions and deliverables
- Improved collaboration and joint working
- Executive lead(s) and responsible officers identified for health inequalities and all initiatives
- A clear programme of work aligned to internal IT infrastructure, governance, data collection/analysis and CORE20PLUS5 initiatives (as detailed in the Health Inequalities Update to the Board of Directors on 14 March 2024)

Health Inequalities - in-year achievements

• Identified senior responsible officers • Established Public Health Management and Health Inequalities Board • Continued restoration of elective capacity, and reduced waiting times for the population • Work with Sight Loss Shropshire and local communities to improve service pathways and communications in elective services • Mitigating digital exclusion with 2023/24 digital strategy and implementation of EPR datasets alongside the outpatients transformation programme of work, specifically reviewing patients who did not attend (DNA) from more deprived areas and comparing our uptake of virtual outpatient attendances compared to our peers. • Investing in digital systems and improving digital maturity for improved data accuracy and recording e.g. ethnicity for all services particularly outpatients, A&E and specialised services • New data dashboards are in development for cancer, elective and urgent care which will identify healthcare inequalities and draw out focus areas. A data quality dashboard is also in development where key inequality metrics are monitored for data completeness and accuracy • Enhanced health inequalities leadership through additional roles and equality, diversity and inclusion champions within the organisation including maternity • Established alcohol service and enhanced pathways	• Equity profiling exercise undertaken to drive targeted work within cancer programmes • As a system, recruitment of over 200 cancer champions from Ukraine, Bulgaria, Hong Kong, Chinese, Iranian, Jordanian, Polish and Sikh communities • Improved pathways for bowel cancer home testing kits to remove barriers where people do not have a fixed home • Codeveloped multi-lingual videos focused on improving cancer screening uptake • Targeted campaigns to improve late stage diagnosis of prostate cancer in black men aged 40 plus • Training sessions delivered to staff to increase knowledge and awareness of oral health in children and young people • Roll out of the Civility, Respect, Inclusion and Kindness (CRIK) training for maternity services • Completed actions included in the LMNS equity and equality action plan with a focus on women from black, Asian and minority ethnic communities and from the most deprived groups • Local asthma app developed to support young people with managing their asthma • Flu and COVID-19 vaccinations offered to all staff • Ratified process for completing Integrated Impact Assessments to consider and mitigate impact on populations • 14 new CORE20PLUS Ambassadors across the system

- Established tobacco dependency service in Acute, Mental Health Inpatient and Maternity services - Commenced review of implementing smoke free policy across our hospital sites - Integrated pathways between secondary care and community-based smoking cessation and lifestyle services	Responded to the NHS England Statement on Information on Health Inequalities by developing analysis on each of the relevant Trust level indicators

Our legal duty to collect, analyse and publish information on health inequalities

On 28 November 2023, NHS England released a Statement of Information relating to the new legal duties for Integrated Care Boards (ICBs) and Foundation/Trusts to collect, analyse, publish, and use information on health inequalities under Section 13SA of the National Health Service Act 2006. Our Trust response to this requirement can be found in Appendix 1.

The domains of indicators included within the statement align to the clinical areas outlined in the Core20PLUS5 for Adults and Children & Young People.

The purpose of exercising these powers is to:

i. Understand healthcare needs, including by adopting population health management approaches, underpinned by working with people and communities
ii. Understand health access, experience and outcomes, including by collecting, analysing and publishing information on health inequalities set out in the Statement and relevant domains
iii. Publish information on health inequalities within or alongside annual reports in an accessible format
iv. Use data to inform action, including as outlined in the Statement

We have been collaboratively working with the Integrated Care Board (ICB) to support the development of a Health Inequalities Outcomes Dashboard which will allow the opportunity to identify inequity in health outcomes and service provision, but also the ability to monitor improvements in health outcomes over time and the indicative impact of programmes currently in place. This will give a vital ‘system’ view.

The dashboard currently identifies 61 draft indicators across four key cohorts (age, sex, ethnicity and socioeconomic status), which align with the objectives in the Operational Planning Guidance and the Core20PLUS5 for Adults and Children & Young People. Over the coming months the dashboard will continue to be developed and key metrics agreed which will act as the enabler for working with our Population Health Management Group to develop system-wide knowledge and intelligence.

Appendix 1 – Information on health inequalities to be collected, analysed and published.

Domain: Elective recovery	**Indicator:** Elective activity vs pre-pandemic levels for under 18s and over 18s

	2019/20	2023/24	2019/20	2023/24
Deprivation Group	<18	<18	>18	>18
Most	18.38%	15.84%	12.19%	11.46%
Least	17.09%	16.83%	11.44%	12.56%
Other	64.53%	67.33%	76.37%	75.98%

Domain: Urgent and emergency care	**Indicator:** Emergency admission for under 18s

Deprivation Group	2019/20	2023/24	% change
Most	142	126	-12%
Least	87	88	1%
Other	779	759	-3%

What the data is telling us:

- For patients aged over 18, elective admissions by deprivation group have remained at similar levels when comparing 2019/20 to 2023/24. However, for those aged under 18, there was a 2.5% decrease in elective admissions for patients from more deprived areas.
- This reduction in the under 18s is also consistent with what is being seen in emergency admissions where a -12% reduction has been seen within the most deprived groups

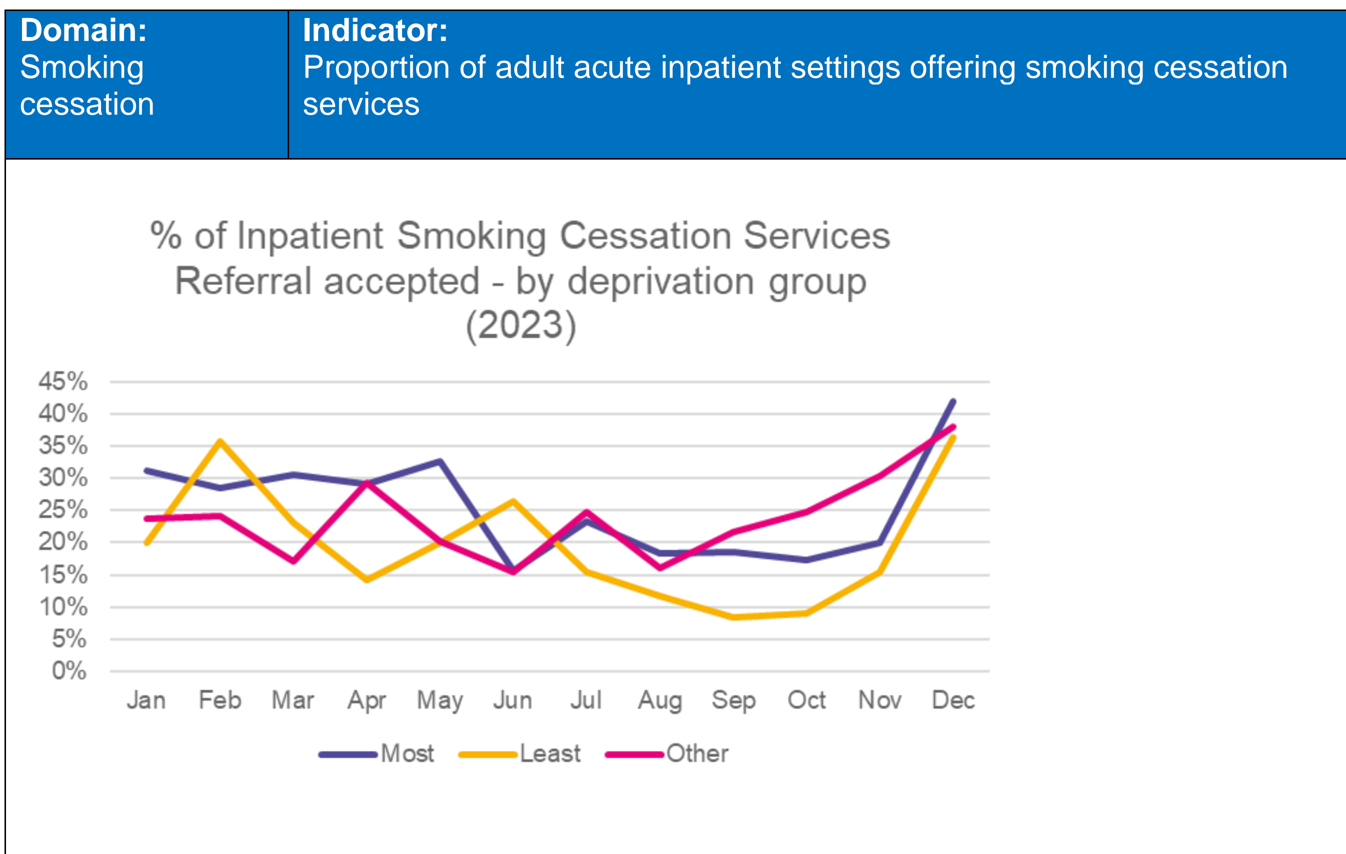
when compared to pre-pandemic levels. In contrast, a 1% increase has been seen in emergency admissions for the least deprived areas.

- Although the above does not indicate an issue in the under 18s (across elective or emergency care), 2023/24 has seen a significant increase (12%) in emergency admissions in the over 18 age group from those least deprived. This increase equates to an average of 41 patients per month and is mainly attributed to increases across pneumonia/chest pain/respiratory issues, as well as an increase in sepsis diagnosis.

Domain: Oral health	**Indicator:** Tooth extractions due to decay for children admitted as inpatients

- There were 33 tooth extractions due to decay in 2019/20 and 22 in 2023/24 for children aged 10 and under.
- Due to the small number of extractions, further analysis based on deprivation/ethnicity would not be statistically significant to draw any conclusions.

Domain: Smoking cessation	**Indicator:** Proportion of adult acute inpatient settings offering smoking cessation services

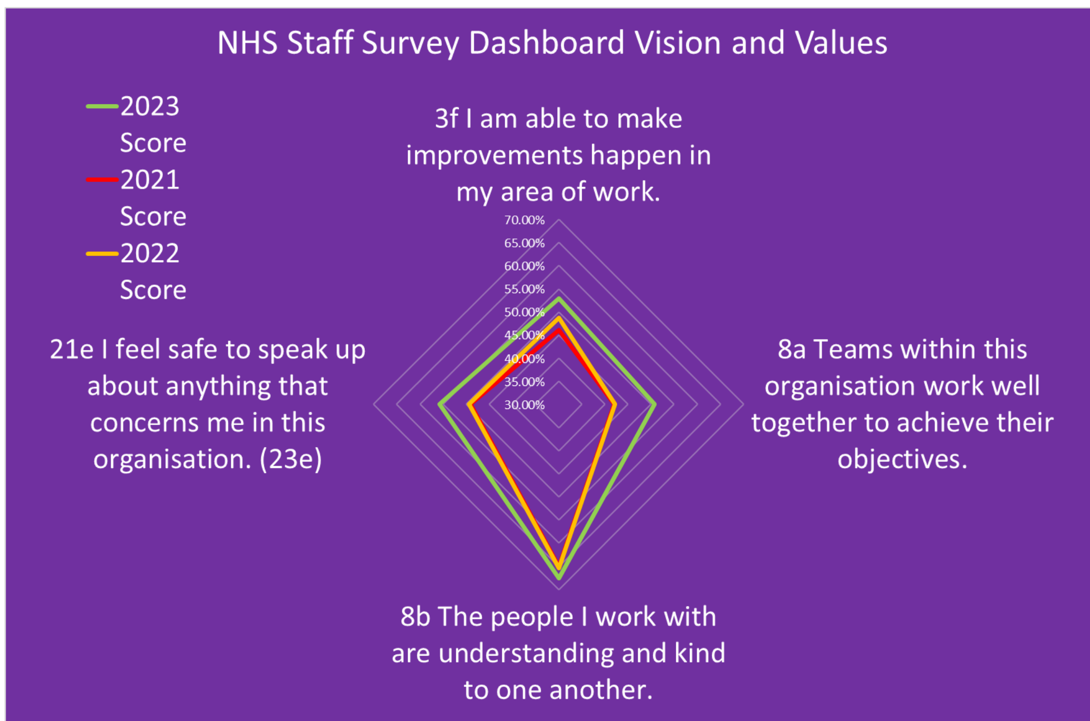


Domain: Smoking cessation	**Indicator:** Proportion of maternity inpatient settings offering smoking cessation services
• Maternity services at SaTH offer smoking cessation services for both the patient and their families to support the aim of reducing smoking at time of delivery rates. Work is underway to validate the data reported as part of these referrals, but initial findings indicate a 2% higher uptake rate of smoking cessation referrals from the most deprived areas, when compared to the least deprived areas.	
What the data is telling us: • In 2023, 25% of the most deprived inpatients accept a referral to Smoking Cessation Services compared to 20% of the least deprived. • In terms of inpatients from an Ethnic Community, 23% of patients accept a referral, the same acceptance rate as patients from a White background. • Further work is to be undertaken to validate and analyse the referrals made within the maternity setting.	

SaTH Improvement

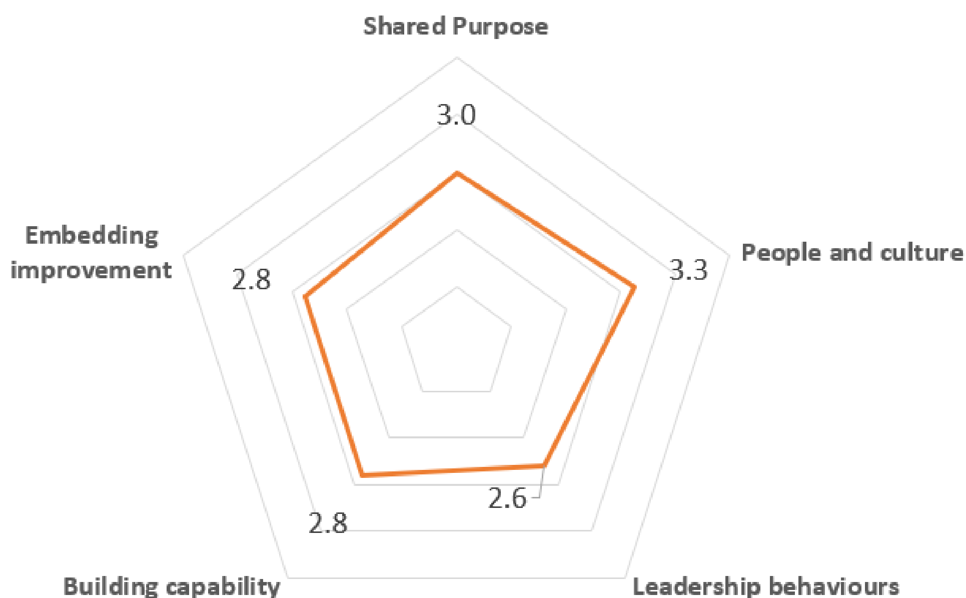
The Trust has a dedicated Service Improvement team called the SaTH Improvement Hub. The aim of the SaTH Improvement Hub team is: To empower colleagues at all levels to have the confidence, capability, passion and knowledge, to test changes and make improvements at SaTH and the communities we serve.

The outcome measure we use for this is responses to the staff survey question 'I am able to make improvements happen in my area of work'. The following graph shows that this has improved each year since 2021 with a figure of 52.9% in the latest staff survey:



NHS IMPACT (Improving Patient Care Together)

In April 2023, national NHS IMPACT Guidance (NHS England » NHS IMPACT) was released and the organisation was advised to undertake a self-assessment against this guidance. This assessment was undertaken in October 2023, as shown in the following maturity matrix:



The NHS IMPACT team co-designed this self-assessment tool which is a maturity matrix for the five components. This should allow Trusts to identify their strengths and opportunities for development when applying an organisational/system wide approach to improvement and provide a framework to build a development strategy.

The self-assessment is designed to stimulate a discussion and debate. It will provide a starting point and enable an action plan to be developed to embed the five components of NHS IMPACT. (NHS England » NHS IMPACT self-assessment)

SaTH has used this self-assessment to formulate 'Getting to Good' plans for each element of NHS Impact, with leads identified as per the following table for the separate elements of NHS IMPACT:

Component	Executive Lead	Senior Responsible Owner	Operational Lead
Shared Purpose and Vision	Director of People and OD	Deputy Director of People and OD	Associate Director of Strategy and Partnership
People and Culture			Assistant Director of People, Leadership and OD
Leadership Behaviours			Assistant Director of People Advisory Services
Building Improvement Capability			Deputy Director of Education and Improvement
Embedding Improvement (Quality Management System)			Head of Clinical Governance

Each element of NHS IMPACT will have a corresponding 'plan on a page'. Progress against these plans will be reported through the Trust's 'Getting to Good' meeting.

The outcome measures for NHS IMPACT will be the NHS Staff Survey. Questions, as suggested by NHS England from the annual staff survey will be used to monitor the success of this work.

Improvement Training/Activity

In order to support colleagues to test changes in their areas of work, the team has developed a structured improvement methodology, incorporating learnings from the work undertaken under the Virginia Mason methodology delivered in previous years, the NHS service improvement courses (Quality Service Improvement and Redesign) and other improvement methodologies. The team offers consultancy support to colleagues, but also provides teaching against a locally designed syllabus.

Going Concern Disclosure (note 1.2 of the Accounts)

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

The Board has carefully considered the principle of 'Going Concern' in the context of the Trust continuing to operate under the HM Treasury's Financial Reporting Guidelines (FReM). For the year ending 31 March 2024, the Trust is reporting a deficit of £54.582m on an adjusted financial performance basis, against a breakeven plan.

In 2023/24, the Trust's income has been driven through an allocative process, consisting of block payments with specific adjustments for agreed growth and prices, ongoing Covid expenditure, and funding achieved through the Elective Recovery Fund (ERF) to incentivise restoration of elective services. There has also been a convergence adjustment applied to bring the Trust back towards a fair-share allocation. As the Shropshire, Telford and Wrekin Integrated Care System (ICS) is currently consuming more than its fair share (on a population basis), the convergence factor applied is higher. Contracts were constructed on an Intelligent Fixed Payment (IFP) basis within the ICS. This is an approach based on collaboration, concentrating on the cost of providing healthcare across the system in order to bring the health system back to clinical, operational

and financial balance. Other contracts were constructed on a typical cost and volume contract or an aligned incentive payment approach.

The Trust maintains a cash balance of £54.680m at the end of 2023/24 (March 2023: £3.301m). The increase is due to additional NHS England funding of £45.5m passed to the Trust in March.

Every ICS/STP received a 2023/24 capital spending envelope derived from the system-level allocation, with The Shrewsbury and Telford Hospital NHS Trust receiving a total system envelope of £18.429m in 2023/24 (£19.822m in 2022/23). Historically the Trust has had low levels of internally generated capital funds underpinned by public dividend capital.

The NHS funding allocation for contracts over £0.5m pa in England, uses the aligned payment and incentive approach (API), (with the exception of devolved organisations which operate under a cost and volume mechanism). The API approach consists of a fixed element for non-elective care, funding an agreed level of activity, and elective care is reimbursed on a variable basis based on actual activity delivered. Tariffs have been uplifted for inflation and adjusted for efficiency and convergence factor. Covid funding has also been included within baseline tariffs and therefore will no longer be funded separately. Welsh contracts account for 6% of the Trust's income. The Elective Recovery Fund (ERF) remains in place to support restoration of elective activity. Low-Volume Activity (LVA) contracts, worth under £0.5m pa, will be paid on a block basis.

The Board of Directors have concluded that whilst the financial position for 2024/25 is very challenging, based upon enquiries with NHS England and the Department of Health and Social Care, they have a reasonable expectation that the Trust will have access to adequate resources (as in previous years) to continue in operational existence for at least 12 months from the date of approval of the financial statements and continue to provide services to its patients. Based on this expected continuation of services, the Trust continues to adopt the going concern basis in preparing the financial statements.

Performance Analysis

This section provides a detailed analysis of the Trust's performance throughout 2022/23, and in doing so, brings together some of the principal performance measures that we use to determine the level of risk that we carry in the organisation.

The Board's role in monitoring the performance of the organisation is supported by an accountability structure which enables visibility by the public, staff and external stakeholders through its bi-monthly meetings streamed in public. It remains the responsibility of the Board of Directors to design and then implement agreed priorities, objectives and the overall strategy of the Trust.

The Board considers performance against national priorities set out in the NHS Oversight Framework, which describes how NHS England works alongside trusts to support the delivery of high quality and sustainable services for patients.

The Board has also developed a set of key performance indicators (KPIs), which are set out within a local performance management framework. These cover quality and safety measures as well as those performance, financial and workforce KPIs outlined in national framework.

An Integrated Performance Report is presented to each meeting of the Board of Directors, in the form of a scorecard accompanied by exception reporting, and explanatory narrative. This information is provided for the previous month, trends over time, and, where available or relevant, against a benchmark. These are linked to the Trust's strategic objectives, national priority indicators, and local priorities.

The Board is supported by the work of the Quality Safety and Assurance Committee in monitoring performance against quality and workforce indicators, whilst the Finance and Performance Assurance Committee reviews operational and financial performance. The Board of Directors is also supported by the Audit and Risk Assurance Committee which provides assurance regarding the organisation's risk and control framework.

The executive directors continually review the performance of the Trust monthly through a series of regular meetings, and monthly meetings with divisional colleagues at the operational Performance Review Meetings. Examples of what has positively improved from these

meetings include: improved Cancer Faster Diagnosis; reduced backlog of patients waiting over 62 days for cancer treatment; and reduced number of patients waiting over 65 weeks for a routine or outpatient appointment. We also reduced our agency expenditure and achieved our cost improvement programme.

Our Key Performance Indicators 2023/24, by quarter:

Measurement (metric)	end of Q1	end of Q2	end of Q3	end of Q4
Total elective activity undertaken (IP/DC)	17,440	17,953	17,924	17,964
Increase Productivity to 85% - Theatre Utilisation	72%	73%	77%	80%
Increase Productivity to 85% - Day case (BADS - GIRFT – Model Hospital)	81.1%	80.3%	80.1%	79.6% (end Feb)
Patients waiting more than 104 weeks to start consultant-led treatment (English/Welsh)	1	0	1	1
Patients waiting more than 78 weeks to start consultant-led treatment (English/Welsh)	11	8	8	5
Patients waiting more than 65 weeks to start consultant-led treatment (English/Welsh)	729	305	429	447
Patients waiting more than 52 weeks to start consultant-led treatment (English/Welsh)	2,605	2,164	2,179	2,967
Total patients waiting over 62 days to begin cancer treatment	385	364	351	205
Proportion of cancer patients meeting 62 days standard - Target 85%	41.6%	49.6%	51.6%	54.2%
Proportion of urgent suspected cancer patients meeting faster cancer diagnosis standard - Target 75%	61.2%	69.0%	74.3%	73.9%
Total outpatient attendances	146,542	143,717	144,779	152,599
Urgent and Emergency Care performance measure (4-hour performance (excluding planned returns and MIU activity)	54.6%	51.5%	51.2%	50.6%
15-minute ambulance breaches (ambulance handover >15 minutes)	7,693	8169	7,316	7,074
	83.1%	88.4%	79.1%	74.9%
60-minute ambulance breaches (ambulance handover > 60 minutes)	1,825	2,979	3,371	3,406
	19.7%	32.2%	36.4%	36.1%
Number of patients spending more than 12 hours in an emergency department	5,959	6,982	7,387	7,621
	15.3%	18.0%	19.3%	19.7%
Summary hospital-level mortality indicator	105.7	84.1	94.8	not yet available
Overall CQC rating (provision of high-quality care)				
Methicillin-resistant *Staphylococcus aureus* (MRSA) bacteraemia infection rate (HOHA)	0	0	2	1
Clostridium difficile infection rate (HOHA)	13	15	23	12
E. coli bloodstream infections (HOHA)	11	11	15	9

The Trust has seen another busy year in 2023/24, with challenges remaining in our UEC pathways and the focus continuing on the recovery of our elective and cancer services.

During 2022/23, a national tiering system was introduced to support the most challenged Trusts and we commenced the financial year in Tier 1 for our recovery of elective and cancer services, which was primarily due to consistently high levels of escalation being in place across both our sites, along with other operational impacts seen from issues such as industrial action and recruitment. However, despite these challenges, 2023/24 was a very successful year for our elective recovery and we ended the year with no patients waiting 104 or 78 weeks (English) and our performance against the 65 weeks trajectory (378 against the trajectory position of 550). This positive work undertaken resulted in us moving out of Tier 1 and into Tier 2 for elective recovery.

Although moving in the right direction, there is still much for us to do to fully recover our elective services. Our recovery is underpinned by additional capacity from waiting list initiatives, mutual aid and insourcing and we continue to experience the pressure of escalation across the Trust. 2024/25 will see the Elective hub go live in early June to provide ringfenced elective capacity and we aim to further improve our position by working in collaboration with other providers and further optimising outpatient transformation schemes such as Patient Initiated Follow-up (PIFU), virtual appointments and advice and guidance.

Positive performance has been seen in our theatre utilisation, however performance remains below the 85% standard, a continued improvement trajectory has been seen throughout 2023/24 and is expected to further improve in 2024/25.

Although we continue to be monitored at Tier 1 level for our cancer services, we achieved 62-day backlog target and were marginally below the Faster Diagnosis Standard trajectory– 74.2% against the 75% standard and saw a reduction in waiting times across some of our most challenged areas. As a result, the Trust received confirmation in May 2024, that it was being moved from Tier 1 to Tier 2 for cancer performance.

Ensuring we continue the positive achievements of our elective and cancer recovery into 2024/25 will be reliant on additional Elective Recovery Funding (ERF) allocations to support the backlog reductions and waiting list initiatives, investment in endoscopy services, to reduce reliance on in- and out-sourcing, by recruiting and training staff who can use the existing additional rooms and equipment, workforce reform and productivity improvements.

Our work on unscheduled care has continued, with a view to improving flow throughout both our sites. We ended 2023/24 with marginally improved performance against our A&E four-hour target in quarter 4 of 2023/24, with the year-end position being 60.2% (including MIU activity). We have also seen a continued reduction in the average length of stay from No Criteria To Reside (NCTR) to discharge from 172 in March 2023 to 125 at the end of March 2024 and although our 12-hour decision to admit delays remain at levels higher than expected, we are seeing a continued reduction across the final months of the year, ending with 91 patients in March 2024, compared to 115 seen in March 2023.

The lack of timely flow from the emergency departments, is contributing to the excessive number of patients waiting over 12 hours for treatment, discharge, or transfer for ongoing care within the hospital. At the end of 23/24, 20.41% of patients attending the emergency departments were waiting for 12 hours or more, which impacts on poor patient experience. We have an Urgent and Emergency Care transformation plan, which aims to improve the reasons for the lack of flow, through improving length of stay in our wards and increasing the use of Same Day Emergency Care.

Despite improvements seen to date, the pressures remain, and our Emergency Department occupancy is frequently reporting levels of over 200%. Our bed occupancy rate also remains high, with an associated bed gap seen despite additional escalation beds being in place. Each of these areas have contributed to us entering 2024/25 in Tier 1 for our Urgent and Emergency Care pathways. As part of the Tier 1 monitoring, we have developed a formal programme of work of six defined workstreams across the ICB. Delivery against these workstreams and the subsequent impact on performance and flow will continue to be closely monitored.

Moving forward into 2024/25, we maintain a focus on sustaining the improvements in ward processes and flow that have been made in 2023/24, continuing to build on the positive changes achieved in developing criteria-led discharge along with programmes of work to improve the number of patients utilising the discharge lounges and being discharged earlier in the day.

Details regarding our quality of care performance can be found in our Quality Accounts 2023/24. From 1 July 2024, this will become available on our website, although copies may be obtained by contacting our Communications Department at communications@sath.nhs.uk

Quality Priorities – Priorities for Improvement

As part of the "Getting to Good" Programme the Trust developed a Quality Strategy. The Quality Strategy for 2021-2024 was agreed by the Trust Board in March 2021.

The priorities within the Quality Strategy includes eight key overarching priorities within the three core domains of: ***Safe, Effective and Patient Experience.***

	QUALITY PRIORITIES	
SAFE	Priority 1:	Learning from events and developing a safety culture
	Priority 2:	The deteriorating patient
	Priority 3:	Inpatient falls
EFFECTIVE	Priority 4:	Best clinical outcomes
	Priority 5:	Right care, right place, right time
PATIENT EXPERIENCE	Priority 6	Learning from experience
	Priority 7:	Vulnerable patients
	Priority 8	End of life care

Our Quality Priorities in 2023/24 were based around these eight priorities and included key actions we planned to take to achieve these overarching quality priority improvements.

A detailed narrative which describes our quality improvement priorities and their outcomes for the year can be found in our Quality Account 2023/24, which is due to be published on our website on 1 July 2024. It also outlines the quality improvement priorities for 2024/25.

Freedom to Speak Up

The Freedom to Speak Up (FTSU) team is made up of a FTSU Lead and one FTSU Guardian. Supporting the team are approximately 35 ambassadors whose role is to promote FTSU and signpost colleagues whose experience ranges from a variety of clinical and non-clinical backgrounds and who represent the diversity of the workforce across our Trust. The ambassadors undertake these roles on a voluntary basis in addition to their substantive posts.

The *Freedom To Speak up Vision and Strategy 2022-25* was published in October 2022

following approval by the Board of Directors, with 9 priorities, the focus on 4 of those during 2023/24.

Priority 1 Ensure all groups who face barriers to speak up are supported with a focus on people of colour (BAME):

- We led the 30 Voice project to highlight the lived experience of BAME colleagues and improvements in tackling racism
- Weekly discrimination meeting to ensure all reports of discrimination are dealt with robustly

Priority 2 Ensure FTSU processes are fit for purpose in line with best practice:

- Internal audit of all processes with associated actions undertaken

Priority 3 Working with leaders to listen up and follow up:

- We developed the managers handbook and was one of the first trusts to mandate the FTSU online training, speak up, listen up and follow up

Priority 4 Alongside our cultural team, lead the civility and respect social movement:

- Over 1,000 people within the Trust have taken the Civility and Respect workshops

During 2023/24, 217 concerns were raised through the FTSU mechanism to the FTSU team, a decrease of 23% on the previous year.

FTSU concerns raised by quarter and year:

	Q1	Q2	Q3	Q4	Total	Increase/ Decrease	National Increase
2023/24	47	52	68	50	**217**	↓23%	Not yet available
2022/23	71	73	79	59	**282**	↓23%	↑25%
2021/22	100	113	90	66	**369**	↑21%	0%
2020/21	41	82	103	78	**304**	↑110%	26%
2019/20	22	17	57	49	**145**	↑119%	32%
2018/19	10	18	18	20	**66**	↑106%	73%
2017/18	4	7	12	9	**32**	N/A	N/A

During 2023/24, 36% of the concerns brought to the attention of our FTSU teams were relating to inappropriate behaviours/attitudes; 27% of concerns were associated with systems and processes; 12% of concerns raised were regarding worker safety and wellbeing; 12% related to concerns about patient safety and 7% to bullying and harassment. All the concerns raised were escalated.

Of those speaking up, 28% were nurses and midwifery registered; 28% administrative colleagues; 10% allied health professionals 13% additional clinical services; 7% estates and ancillary; 7% medical and dental; 5% unknown or other; and 2% healthcare scientists.

During 2023/24 the new FTSU Policy was approved by the Trust Board and a Board Development Workshop held in November to consider the principles in the NHS England Board Self Reflection Tool.

The staff survey results on speaking up saw a marked improvement and we were confirmed by the National Guardian's Office as one of the most improved Trusts in the country for their staff survey results in relation to the speaking up questions.

Financial Performance 2023/24

In developing the operational plan for 2023/24 the Trust worked with system partners to develop a triangulated plan across activity, workforce and finance in response to the following priorities set out by NHS England:

- recover our core services and productivity;
- as we recover, make progress in delivering the key ambitions in the Long Term Plan (LTP); and
- continue transforming the NHS for the future.

The Trust set a deficit plan of £45.5m which was converted into a breakeven plan by NHS England providing non-recurrent funding of £45.5m to match the deficit plan. At the time of finalising the plan several risks were identified in relation to the continued use of escalation areas, the costs of temporary workforce, the scale of the efficiency programme and the cost of delivery of the activity plan. Against the breakeven plan, the Trust recorded a full year deficit of £54.6m. This was in line with the revised forecast formally reported and agreed with NHS

England at the end of quarter three that reflected the risks that were being carried by the Trust. The underlying deficit for the Trust, i.e. (the financial position after the removal of one-off income and expenditure items) was £50.8m at the end of the year.

2023/24	£'000
Income from patient care activities	585,825
Other Operating Income	38,497
Operating Expenses	(-671,315)
Operating deficit	**(-46,993)**
Other gains and (losses)	(-639)
Deficit before interest	**(-47,632)**
Investment income	1,878
Finance costs	(-214)
Public dividend capital dividends paid	(-10,855)
Retained deficit	**(-56,823)**
Adjusted for:	
Impairments	3,760
Adjustments in respect of Donations / Grants	(-1,534)
Remove net impact of inventories received from DHSC group bodies for COVID response	15
Adjusted financial performance	**(-54,582)**

The main source of income for the Trust was via contracting with commissioners for health care services. In 2023/24, most of the Trust's income from NHS commissioners was in the form of Aligned Payments and Incentive (API) contracts. This is a form of blended payment, made up of fixed and variable elements. The fixed element relates in the main to unscheduled care and is paid at an agreed value for the expected annual level of activity. The variable element in the main relates to scheduled care and is paid in line with activity delivered.

Within Trust expenditure, the largest category is pay expenditure totalling £450.9m which is equivalent to 67% of total operating expenditure. Other significant components include £111m on drugs and clinical supplies (16%) and estates and premises costs of £31.9m (5%).

The Trust invested £77.2m of capital expenditure on medical equipment, digital infrastructure, improvements to existing buildings and expansion of our estate during the financial year. The Trust's internally generated funds covered £18.4m of the investment and the remainder of the

capital expenditure of £58.8m was funded through Public Dividend Capital. This external funding has provided additional capacity at RSH, the elective hub at PRH, the enabling works associated with the Hospital Transformation Programme, and the second year of the NHSE Frontline Digitisation Programme.

Sustainability

Climate Change

Our everyday activities are having a profound impact on the environment with irrevocable consequences - biodiversity loss and mass extinction, plastics in our food chain, acidification of our seas and climate change that will bring about frequent and often disastrous weather events. We must therefore maintain momentum in minimising our contribution to carbon in the atmosphere, products that persist in nature, and the destruction of other species due to loss of natural habitats. Extreme weather events and infectious diseases are now a very real and tangible part of our lives. Human activities have already set in motion these occurrences and therefore, we must adapt.

The NHS is responsible for circa 4% of the nation's carbon emissions. In October 2020, NHS England published 'Delivering a Net-Zero National Health Service', a report that details the scale of the environmental problems faced by the NHS and the country. This report set ambitious targets requiring all NHS organisations to become net zero by 2040 for the NHS Carbon Footprint, and by 2045 for the NHS Carbon Footprint Plus.

Green Plan

An organisational Green Plan has been approved by the Board of Directors. In addition, the Shropshire, Telford and Wrekin Integrated Care System Green Plan 2022-2025 has been developed and co-ordinated by the ICS Climate Change Group and was supported by the Board of Directors on 9 June 2022. The system plan brings together organisational green plans within the system. This document forms the basis for performance against the national climate change agenda and is the base for co-operation between system partners. The ICS Climate Change Group is also developing a system-wide Carbon Footprint assessment which will support the prioritisation of work going forward.

Measuring sustainability

One of the ways we have measured our impact is through the Green Plan. The Trust has undertaken risk assessments and has a Trust Green Plan which takes account of UK Climate Projections 2018 (UKCP18). The Green Plan and actions are reviewed annually.

Carbon Management

We have continued to invest in our Business Management System (BMS) utilising computerised control systems to reduce any unwarranted use of energy in the Trust's hospitals. We are therefore able to identify trends in energy consumption enabling better prediction of energy need and therefore more effective utilisation of the Combined Heat and Power (CHP).

Energy Management

Decarbonisation Strategies for both acute hospital sites have been developed and will inform future site infrastructure and backlog programmes. It also includes a proposal for a new zero carbon energy centre and heat network at both acute hospital sites.

We have also implemented electric vehicle charging points at our Royal Shrewsbury Hospital (RSH) and Hollinswood House sites and we are developing the infrastructure at our other sites whilst exploring conversion of our fleet cars to become electrically powered.

At RSH further photovoltaics have been installed on the Copthorne and the Administration roof areas following receipt of National Energy Efficient Funding in 23/24. The Trust has projects ready to expand this initiative further when funding/grants become available.

In November 2023 the Trust applied for a Salix grant of circa £16.2m for investment in energy management and carbon reduction measures at the Royal Shrewsbury Hospital to address end of life critical steam infrastructure. The Trust has since been successful with the application and has accepted the grant conditions from Salix.

Energy usage

The general pattern of energy consumption for the Trust is included in the following table. Electricity usage overall has increased slightly compared to 22/23. Whilst the cost of energy has increased compared to 23/24, we also expect a further inflation in energy prices as a result of international cost pressures. The Trust is working to procure energy from CCS as it

would provide specialist, professional support in this complex, and volatile industry. In terms of the scale of CCS operations, £2.2 billion of customer spend goes through their frameworks each year. CCS have a customer base of over 1,200 public sector organisations and over 90,000 supply points.

Utility	Royal Shrewsbury Hospital	Princess Royal Hospital
Gas	21,773,725 kWh	9,129,692 kWh
Electric	9,112,669 kWh	7,093,555 kWh

Waste

The Trust continues to ensure compliance with disposal of its waste. All our domestic waste is sent to an energy recovery facility to generate electricity. The Trust is piloting a recycling scheme for dry mixed recycling and continues to segregate recyclable material, such as metal and cardboard, where possible.

Following the introduction of the Clinical Waste Strategy in March 2023, the Trust has recruited a Waste and Energy Manager to reduce our clinical waste in line with the current Health Technical Memorandum requirements. The Trust also secured a place on the NHS England Charted waste management course which the Waste and Energy Manager has successfully completed.

The waste figures for 2023-2024 at our acute sites are:

Waste Type	Royal Shrewsbury Hospital	Princess Royal Hospital
Infected waste (Orange bag)	448.02 tonnes	391.13 tonnes
Chemical waste (Yellow bag)	174.05 tonnes	93.40 tonnes
Offensive waste (Tiger bag)	18.55 tonnes	77.21 tonnes
Total	**640.62 tonnes**	**561.74 tonnes**

The Trust is working to the NHS England target of 20/20/60 segregation of clinical, infectious and offensive waste. The figures in the brackets in the table below are pre-rollout (Nov 2023) and the other figures are as of March 2024:

Waste Type	NHS England Target	Trust	Royal Shrewsbury Hospital	Princess Royal Hospital
Orange	20%	44% (75%)	63% (70%)	23% (82%)
Yellow	20%	17% (23%)	20% (29%)	8% (16%)
Tiger	60%	39% (2%)	17% (1%)	69% (2%)

The Trust is on track to reach the NHS England waste targets since the introduction of the offensive waste roll out.

The Trust also takes an environmentally friendly approach towards the disposal of 'sharps' waste, by employing a greener approach with the use of re-used sharps containers. Through this method in 2022 the Trust saved 44 tonnes of single use plastic bins from being burnt, leading to saving 252 tonnes of carbon dioxide. In 2023 the Trust has saved 46 tonnes of single use plastic from being burnt and 311 tonnes of CO_2 emissions.

A furniture reuse system is in place across our sites to enable staff to internally exchange furniture between departments. Fourteen percent of staff are now active members of this reuse, reduce furniture and office stationery scheme. We are proud of the fact that use of this scheme has saved the Trust £60,000 (aided by donations from Shropshire council) and 23 tonnes of carbon dioxide. A further reduction of around 9 tonnes of potential waste was saved from landfill.

Our Walking Aid Return and Reuse Scheme was introduced at the end of August 2023 and resulted in refurbishment and reuse of over 400 crutches and more than 50 walking frames and walking sticks, saving the Trust approximately £2,600 and just over 4.5 tonnes of CO2 emissions.

Transport

The daily commute of our staff has a huge impact on the local environment in terms of vehicle numbers, noise, air quality and the demand for parking. We have a car-share web portal to encourage staff to share their commute and we also actively encourage staff to use public transport and the local cycle routes as means to get to work.

Approximately 24% of staff choose not to bring their car to work, and instead use buses, cycles, e-bikes, shared lifts, motorcycles or walk to work.

Mode Share Travel Table:

Response	Mode Share %						
Travel Mode	**2011**	**2015**	**2018**	**2019**	**2021**	**2023**	**2024**
Walk	4.7%	7.8%	7.8%	8.0%	6.8%	7.5%	6.5%
Cycle	1.3%	5.5%	3.8%	5.9%	6.5%	3.9%	6.9%
Cycle Train	not recorded	0.6%	0.3%	0.0%	0.0%	0.0%	0.0%
Electric Bike	not recorded	not recorded	not recorded	0.20%	1.10%	no data	0.6%
Bus	1.6%	2.8%	3.1%	3.1%	4.1%	4.4%	3.1%
Train	1.2%	1.2%	0.4%	0.5%	0.5%	0.3%	0.8%
Motorcycle	0.1%	0.3%	0.4%	0.7%	0.9%	0.5%	0.2%
Lift in car that then goes elsewhere	not recorded	not recorded	0.6%	1.7%	2.9%	1.8%	1.4%
Taxi	not recorded	not recorded	0.5%	0.7%	0.9%	1.8%	0.2%
Car Share	4.6%	3.3%	3.9%	4.0%	2.0%	5.0%	5.1%
SOV-Single Occupancy Vehicle	86.5%	78.5%	79.2%	75.2%	74.3%	74.8%	75.2%

To help alleviate car parking issues and provide another sustainable travel option on both acute hospital sites the Trust have procured two Park and Ride facilities in close proximity to both sites for staff.

Biodiversity

To enhance our Biodiversity across the Trust we have a Biodiversity and Green Space Strategy which links to our Trust and System-wide Green Plans.

We have enhanced our planting to include more pollinators to attract butterflies, bees and insects and have sown wildflower patches. We have recently acquired 60 whips from NHS Forest for our PRH sites and as part of the Shropshire Council Community Orchard Project to commemorate the King's Coronation we successfully bid for and received a mixture of 10 fruit trees for our RSH site.

We have linked in with the Shropshire Bee Association and welcomed two beehives onto our site last spring. With the help of SaTH Charity we have also completed two small garden projects, including the small yard at the back of the RSH Estates building which has been transformed into a pollinator garden with a raised flower bed, wildflowers and an insect hotel.

Task force on climate related financial disclosures (TFCD)

The Group Accounting Manual has adopted a phased approach to incorporating the TCFD recommended disclosures as part of sustainability annual reporting requirements for NHS bodies, stemming from HM Treasury's TCFD aligned disclosure guidance for public sector annual reports. TCFD recommended disclosures as interpreted and adapted for the public sector by the HM Treasury TCFD aligned disclosure application guidance, will be fully incorporated into sustainability reporting requirements on a phased basis up to the 2025-26 financial year, with the exception of the requirement to disclose scope 1, 2 and 3 greenhouse gas emissions and the related risks as part of the metrics and targets pillar.

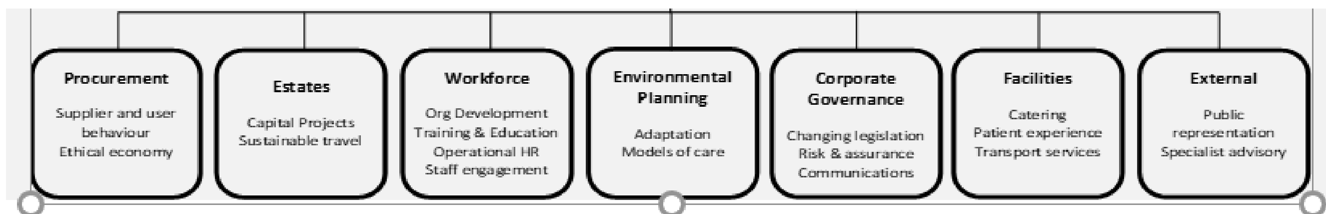
The phased approach incorporates the disclosure requirements of the governance, risk management and metrics and targets pillars for 2024-25. These disclosures are provided below with appropriate cross referencing to relevant information elsewhere in the Annual Report and in other external publications.

Governance

SaTH has a well-established Climate Change Group which reports into the Finance and Performance Assurance Committee (FPAC), reflecting the core standards issued by the NHS Sustainable Development Unit – each of which has a part to play in delivering sustainable services. The targets set in our Green Plan are based upon our most recent (2020) sustainability assessment.

Climate Change Group membership comprises representation from Estates, Facilities, Corporate Governance, Travel, Communications, Clinical and Medical staff, Workforce, Procurement and external partners, as can be seen below.

Climate Change Group membership:



The Climate Change Group provides summary 'key issues' reports through to the Finance and Performance Assurance Committee together with a comprehensive annual report, which is also submitted to the Board of Directors' public meeting. These documents are publicly available on the Trust's website.

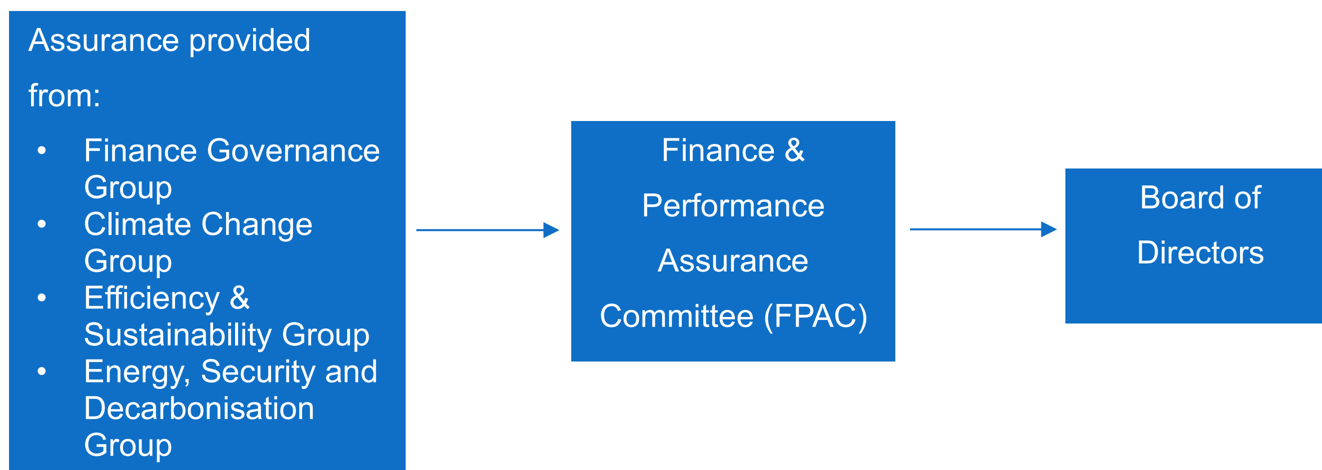
SaTH is also a core member of the ICS Climate Change Group. The Board received the Shropshire, Telford and Wrekin ICS Green Plan 2022-2025 on 09 June 2022.

The Lead Director for Environmental Sustainability at the Trust is Inese Robotham (Assistant Chief Executive) who chairs the Climate Change Group.

SaTH has a Green Plan which incorporates the Trust's goals and targets for addressing climate related issues over a five-year period. The SaTH Green Plan 2021-2026 and associated action plan, were approved by the Trust Board in October 2021. The Board received an annual update from the Climate Change Group on 14 December 2023 on the development of the green agenda at the Trust and an update on the actions agreed when the Green Plan was approved.

The long-term strategy of climate related issues is captured in the Energy, Security and Decarbonisation Steering Group which also reports into FPAC, which subsequently reports into Board.

The organisational chart below details the governance assurance arrangements in place:



The Trust is committed to considering climate related issues when reviewing organisational plans and monitoring performance. The Board wishes to incorporate climate related risks as part of its risk appetite statement in 2024/25 (due for Board review in July 2024).

To measure SaTH's position and progress with respect to sustainability, we have used the NHS Sustainable Development Unit's (SDU) annual Green Plan as the basis for the SaTH Green Plan.

Sustainable Development Unit Modules:

The SDU tool uses 296 statements across 10 core modules, which are:

1. *Corporate Approach*
2. *Asset Management & Utilities*
3. *Travel and Logistics*
4. *Adaptation*
5. *Capital Projects*
6. *Green Space & Biodiversity*
7. *Sustainable Care Models*
8. *Our People*
9. *Sustainable use of Resources*

10. *Carbon / Green House Gases*

Each statement is aligned with up to three United Nations Sustainable Development Goals, which are ordered in level of relevance but are scored equally.

The role of Management in assessing and managing climate related issues

Management has a key role in assessing and managing climate related issues. The Trust has in place a Sustainability and Compliance Manager who leads in areas of sustainability and climate. The Climate Change Group has been established within the Trust to lead on climate related issues, meeting quarterly, and reporting into FPAC. The group supports the Trust and its managers by ensuring that:

- Climate Change and sustainability considerations inform its decisions
- Its day-to-day activities contribute towards sustainable development
- NHS resources and influence are used to build a healthy and sustainable environment

We recognise that there is a lot more to progress in relation to areas of climate change and sustainable development and communicating this with our colleagues. We plan to hold 'The Great Big Green Week' in June 2024, with cross-area collaboration to highlight the climate change challenges, the key areas of focus, and how our communities can assist.

Louise Barnett
Chief Executive Officer
14th June 2024

Part two:

Accountability Report

Corporate Governance Report

The Directors Report

The Board of Directors present their report and audited financial statements for the financial year ended 31 March 2024.

In accordance with its Establishment Order, the Board of Directors comprises seven non-executive directors and five executive directors, one of whom is the Chief Executive. All directors are required to comply with Trust policies, including the need to declare any actual or potential conflict of interest, and must comply with the Fit and Proper Persons Test requirements.

Whilst non-executive directors are not employees of the Trust and are appointed to provide independent challenge to the Board of Directors, each board member brings a variety of individuals skills and experience to the Board.

Directors serving during the year were:

Non-executive directors (voting Board members)

Dr Catriona McMahon

Dr McMahon is Chair of the Trust, and chairs the Board of Directors, the Trust's Remuneration Committee, and, jointly with Maxine Mawhinney, the Trust's Ockenden Report Assurance Committee.

Dr McMahon is passionate about the NHS, patient access to innovation and excellence in patient care. Her professional background includes anaesthetics/critical care and, from 1998, pharmaceutical medicine. She is currently the Lead Industry Member on the Scottish Medicines Consortium (SMC), where she works with both SMC and the pharmaceutical industry on health technology assessment and continuous process improvement. She is a former member of the Institute of Health and Care Excellence (NICE) Appeals Panel and NICE Neuroscience Guidelines Review Panel.

Before leaving the pharmaceutical industry to set up her own consultancy, she worked closely with the NHS to advance commercial clinical research in our healthcare system, including acting

as co-chair of the Ministerial and Industry Strategy Group (MISG) Clinical Research Working Group (2012-2014).

She was also a Non-Executive Director for University Hospitals Birmingham NHS Foundation Trust until 31 August 2023/24, and, is owner of, and executive coach within her own coaching business.

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

Teresa Boughey

Mrs Boughey is Chair of the People & Organisational Development Assurance Committee and Charitable Funds Assurance Committee, along with being a member of our Finance and Performance Assurance Committee, Quality and Safety Assurance Committee, and Remuneration Committee.

She is the founder and CEO of Jungle HR, a national, award-winning strategic HR consultancy, and has more than 25 years' of HR experience at senior manager and director level after working across a variety of sectors. Mrs Boughey is a Business Board member of the All-Parliamentary Group for Women and Enterprise, chairing the Environmental, Social and Governance (ESG) Workstream, and is also a Board Advisor at Royal Holloway University, School of Business & Management. She has authored the Amazon number 1 bestselling book, 'Closing the Gap – 5 Steps to Creating an Inclusive Culture'.

Mrs Boughey is a Chartered Fellow of CIPD, a member of the Institute of Directors and holds an MA in Human Resource Management. The Board appointed Mrs Boughey to the role of Senior Independent Director and Non-Executive Director lead for Doctor Case Management on 8 December 2022.

David Brown

Mr Brown chairs the Public Assurance Forum and is a member of our Audit and Risk Assurance Committee, Finance and Performance Assurance Committee, Quality and Safety Assurance Committee, People and Organisational Development Assurance Committee and Remuneration Committee. In addition, he attends the Palliative and End of Life Care Group, Learning from Deaths Group and Junior Doctors Forums.

Since retiring from military service in 2000 as a Colonel, Mr Brown has gained senior executive experience as an MD and CEO in the engineering, and oil and gas sectors. Since 2014, he has run his own consultancy, specialising in business turn-around, management of change, strategic assessment and improving staff motivation.

Mr Brown graduated from the University of London with a BSc Hons in Geology, and has an MSc in Guided Weapons Technology, and MSc in Business Management, as well as a PGDip in The Management of Change. He is a Fellow of the CMI and a Chartered Manager, as well as being a member of the Institute of Directors.

Mr Brown is also Chair of the Trust's Organ Donation Group, and from January 2022, the recently established Public Assurance Forum .

Raj Dhaliwal

Raj has almost 20 years of banking experience, having covered roles across multiple disciplines and geographies.

Recently he led lending operations for business banking and mortgages, being responsible for ensuring over £36bn of lending approvals were safely disbursed within a controlled manner.

Currently he is Head of Group Technology Change Standards owning the global policy and standard specifically for technology change.

Outside of this, Raj spends time between volunteering as a special constable for West Midlands Police.

Rosi Edwards

Ms Edwards joined the Trust in June 2022. She has chaired the Trust's Quality and Safety Assurance Committee since February 2023 and was a member of the Audit and Risk Assurance Committee from June 2022 to April 2023. In addition, she is a member of the Remuneration Committee and Charitable Funds Committee. At system level, Ms Edwards attends the Shropshire, Telford and Wrekin Integrated Care Board Quality and Performance Committee.

She was previously a Non-Executive Director at the Royal Wolverhampton NHS Trust, from 2013 to 2021, where she chaired the Quality Governance Assurance Committee and was a member of the Audit Committee and Remuneration Committee. She was also non-executive director lead for learning from Deaths, End of Life Care and Freedom to Speak Up.

During a career of over 30 years as a regulator in occupational health and safety and health, starting as HM Inspector of Factories and eventually as Regional Director for Wales, Midlands and the Southwest in the Health and Safety Executive, she developed practical expertise in risk management and the assessment of organisations' ability to manage risk.

She speaks French and Italian and was appointed chair of a tripartite committee of international experts for the International Labour Organisation, producing within a tight schedule an agreed Code of Practice on Safety in the Use of Machinery, has worked as an Occupational Health and Safety Consultant for the Organisation for Economic Co-operation and Development on a project to streamline the regulatory system in Italy, and has been an Executive Reviewer for the Care Quality Committee.

She is Honorary President of Birmingham Health, Safety and Environment Group, a well-regarded occupational health and safety group covering organisations in the West Midlands.

Professor Trevor Purt

Professor Purt is the Chair of the Audit and Risk Assurance Committee, member of the Trust's Ockenden Report Assurance Committee, and the Remuneration Committee. He was appointed as Vice Chair from 1 November 2023 and is also the non-executive director lead for both cyber and the hospital transformation programme.

He is both a Chartered Engineer and Chartered Surveyor after having initially trained in architecture. Professor Purt has been a CEO or equivalent both in the public and private sectors for over 25 years, and as a senior NHS leader he has led some of the largest NHS organisations in the UK with experience from both the provider and commissioning sectors, as well as working at both regional and national levels, including ICS development.

Professor Purt’s last role was in the private sector, where he was Vice President for IBM Watson’s Healthcare Consultancy business for Europe, the Middle East and Asia, with a specific remit around population health and wider health and social care system integration and service reconfiguration.

In addition, Professor Purt was a Secretary of State appointee to the NMC, has served as a trustee and board member of the NHS Confederation, and The Prince’s Trust.

Richard Miner (from 1 August 2023)

Richard is a Fellow of the Institute of Chartered Accountants in England and Wales (FCA). After qualifying in practice, he became a partner in national accountancy firm PKF (now merged with BDO) before moving into industry as Group Finance Director with an international speciality paper manufacturer. He currently acts as a part-time and flexible finance director with a number of ambitious and private equity backed organisations as well as Managing Trustee for Dinwoodie Charitable Company, a medical education charity.

Richard’s NHS experience started in 2006 as a Non-Executive Director with Birmingham East and North Primary Care Trust before joining the Board of Dudley Group NHS Foundation Trust which he served between 2010 and 2021, in both cases as part of the Finance and Performance Committees and as Audit Chair. He joined both the Finance and Performance Assurance Committee and Audit and Risk Assurance Committee following his appointment to the Board of SaTH on 1 August 2023.

Associate non-executive directors (non-voting)

Sarah Dunnett (from 1 February 2024)

Ms Dunnett joined the Trust as a Associate Non-Executive Director in February 2024. She is a member of the Quality and Safety Assurance Committee, the new Hospital Transformation

Programme Assurance Committee and the Charitable Funds Committee. Ms Dunnett is the Board's maternity safety champion.

Sarah is a registered nurse, having qualified as a Registered General Nurse and Registered Mental Nurse. Sarah has 15 years of experience in health and social care regulation, starting as an inspector, working in both acute and mental health sectors and finishing as a head of inspection of hospitals. In that role she was the lead for enforcement for hospitals and a member of the enforcement oversight board, where she contributed to policy and training developments. Her role required her to work collaboratively with other regulators, regionally and nationally.

Currently, Sarah works for an organisation delivering independent health and social care investigations. She leads on high profile reviews, using a systems-based approach within the Patient Safety Response Framework to identify learning and change needed following adverse incidents.

Simon Crowther (from 5 February 2024)

Simon Crowther is a member of the Charitable Funds Assurance Committee and the Finance and Performance Assurance Committee. Joining the Board during February 2024, he brings extensive experience in strategic leadership, digital technology, and commercial strategy.

As the CEO of i-nexus Global plc, Simon leads a strategy software company serving global blue-chip customers. With over 18 years of experience, he has successfully steered his company through strategic realignments and financial stabilisations, ensuring high staff retention and raising substantial funding.

Simon's professional background includes significant interactions with the NHS, having worked with University Hospitals Coventry and Warwickshire NHS Trust on operational scorecards and Birmingham & Solihull Mental Health NHS Foundation Trust on strategy deployment. Born and raised in Shrewsbury, he maintains strong ties to the area, providing a deep understanding of the community served by SaTH.

Simon is committed to leveraging his strategic insight and leadership skills to contribute effectively to SaTH's mission and goals.

Non-executive directors who left during the year:

Dr Tim Lyttle – Associate non-executive Director (non-voting) - from 1 March 2022 to 29 February 2024.

Executive directors (voting Board members)

Louise Barnett – Chief Executive Officer

Mrs Barnett joined the Board of Directors as Chief Executive Officer (CEO) in February 2020, bringing with her extensive experience as both a CEO and board level director, having worked in both public and private sector organisations. She is also the Accounting Officer of the Trust and is accountable to Parliament.

Mrs Barnett is committed to addressing health inequalities and to working in partnership with stakeholders across Shropshire Telford and Wrekin Integrated Care System (ICS), and further afield, to improve health outcomes for the communities served by the Trust.

She is passionate about supporting teams and creating a positive and inclusive environment for all, where colleagues feel truly valued, and where patients receive excellent care.

Supporting a number of national and regional leadership programmes, Mrs Barnett is committed to developing leaders of the future to support the effective provision of sustainable high quality integrated services for our communities.

Hayley Flavell – Director of Nursing

A Registered General Nurse with over 30 years' experience of working in the NHS, Mrs Flavell has broad experience of working as a senior nurse leader in a variety of acute hospital trusts and joined us from the University Hospitals Birmingham NHS Foundation Trust.

Originating from the West Midlands, Mrs Flavell is passionate about providing our patients and their families with high quality, safe and responsive care. She believes that this can be achieved only by listening to our patients, communities and growing and developing a workforce that is fit for purpose now, and in the future, and by leading others to be able to deliver to the best of their ability at all times. She can often be found on wards and in clinical areas whenever she has a spare moment, to listen to staff and patients about their experiences of being at the Trust.

Sara Biffen – Chief Operating Officer

Ms Biffen joined the NHS in 1986, the last 16 years of which have been at senior manager level at the Trust. She has worked operationally with clinical teams across several specialties/areas and was the Assistant Chief Operating Officer for Planned Care for five years.

Ms Biffen was appointed to the Deputy Chief Operating role in February 2016, where she led on 18-week RTT and cancer improvement and worked with the Divisions to improve emergency planning and business continuity. She took up her current role of Acting Chief Operating Officer in March 2022 before which, she covered the Divisional Director of Operations for Medicine and Emergency Care and was the senior responsible officer (SRO) for urgent and emergency care.

Helen Troalen – Director of Finance

Ms Troalen joined the NHS in 2003 as a graduate trainee and qualified as a management accountant in 2007. Her career has spanned over 20 years in the NHS with roles in both the provider and commissioner sectors. She has also worked in a regional role at NHS London. Prior to joining the Trust, Ms Troalen was Deputy Chief Financial Officer at The Royal Wolverhampton NHS Trust for four years. Prior to that she was the Deputy Chief Finance Officer at a large collaborative of clinical commissioning groups in north-west London, also for four years.

Ms Troalen has a particular focus on improving services for patients and the role that robust financial stewardship can play in effective organisations. Being involved in the redesign of stroke and major trauma services in London remains a particular career highlight.

Dr John Jones – Medical Director

Dr Jones has lived in Shropshire and worked at the Trust for over 20 years, primarily as a consultant physician and gastroenterologist.

Dr Jones was an undergraduate at Christ's College Cambridge University and then a clinical student at Oxford University. He has worked in hospitals in Gloucester, Oxford, Stoke-on-Trent and the East Midlands before moving to Shropshire after completion of his PhD.

He has strong interest in medical education and regulation and carries out a number of roles for the GMC including as an educational visitor for new medical schools. He led the introduction of

the first Keele University curriculum to our hospitals. He has previously worked for the Parliamentary and Health Service Ombudsman in Manchester.

Although the majority of Dr Jones' time is now spent in the executive role, he continues in clinical practice with a particular focus on specialist endoscopy for patients with suspected cancer.

Executive directors (non-voting)

Rhia Boyode – Director of People & Organisational Development

Rhia has spent most of her career in Organisational Development in the private sector supporting Global FTSE companies.

She went on to pursue a career in Human Resources which progressed to her leading the full range of HR and OD services for many years as a Head of HR Globally within Transportation, Automotive and Aerospace before joining the NHS as a Deputy Director going on to become a Board level Executive Director.

She has a Master of Science degree in Human Resource Management from Salford University of Manchester (Business School) and is a Fellow of the Chartered Institute of Personnel and Development (CIPD).

In addition to her role at The Shrewsbury and Telford Hospital NHS Trust, Rhia is Director of People and OD for the Shropshire Community Health NHS Trust.

Nigel Lee – Director of Strategy & Partnerships

Beginning his career as a helicopter pilot in the RAF both in Search and Rescue and Operations Support roles, Mr Lee served in Northern Ireland, the Falkland Islands and Iraq. He completed tours in the Defence Procurement Agency and Ministry of Defence on major programmes and strategic planning, before starting his healthcare career in 2006 as a hospital director for a BUPA hospital in the Wirral. From there, he became divisional director at Alder Hey Children's Hospital and subsequently Aintree University Hospital.

Mr Lee has had senior operational roles with the Cheshire and Merseyside Major Trauma Network as well as a range of service configuration developments in the Merseyside area. Before joining the Trust in March 2018 as the Chief Operating Officer, Mr Lee was

working as the Director of Secondary Care for the North Wales Health Board, where he was responsible for four hospital sites, women's services and the specialist cancer centre. He led elective and diagnostics improvement projects and played a lead role in the whole-system urgent and emergency care development programme.

During 2023, Mr Lee was in an interim role as Director of Strategy & Partnerships, to concentrate on progressing the Trust's strategic work and development of integration with the Integrated Care System. He was appointed to the substantive role on 1 January 2024. Since 1 August 2023, Mr Lee has also worked in a combined role as Director of Strategy for the Integrated Care Board, supporting integrated system development and the Integrated Care Strategy.

Anna Milanec – Director of Governance & Communications

During her career, Ms Milanec has gained both public and private sector experience in highly regulated environments, working both at home and abroad.

Beginning her working life in the global financial services sector, Ms Milanec worked as part of specialised compliance and governance teams, within portfolios encompassing multi-national organisations that required adherence to international law and regulatory requirements. (Membership of the Chartered Institute for Securities and Investment was allowed to lapse upon leaving the finance industry, relocating to England, and joining the NHS in 2010.)

Since that time, Ms Milanec has supported boards of directors to improve their governance, risk and compliance frameworks. She has successfully led two NHS organisations to eliminate existing governance conditions on their Provider Licences. In November 2020, Ms Milanec joined the Trust to support it with its own improvement journey.

Ms Milanec is a Fellow of the International Compliance Association, a Chartered Governance Professional and Fellow of the Institute of Governance Professionals. She has a Master of Science degree in Corporate Governance and Administration.

Inese Robotham – Assistant Chief Executive (from 13 March 2023)
Ms Robotham joined the Trust in March 2023 from Swansea University Health Board where she was in the role of Chief Operating Officer, and she has held similar roles in Dorset County Hospital NHS Foundation Trust and Worcestershire Acute Hospitals NHS Trust.

Ms Robotham started her NHS career in 2001 as an Information Analyst and then progressed through a number of operational management and leadership posts. With over 20 years NHS experience in both high performing and challenged organisations, Ms Robotham brings a wealth of knowledge and expertise across a number of areas including partnership working, operational delivery and large-scale transformational change.

Ms Robotham holds a MSc in Leadership for Healthcare Improvement from the University of Birmingham and is passionate about creating the conditions for continuous improvement and enabling staff to deliver the best possible care to the local communities.

The Board of Directors and meetings

The Trust is governed by the Board of Directors. The overarching governance arrangements are described in detail within the organisation's Standing Orders, Standing Financial Instructions and the Scheme of Reservation and Delegation.

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

Standing items on the Board meeting agenda relate to strategy, governance, patient feedback, quality of care, people issues, integrated performance and key issues summary reports from meetings of the Board's assurance committees. The Board Assurance Framework is also reported on a quarterly basis as a standing agenda item and outlines the risks to achievement of the organisation's goals/objectives. Detailed reports have been received by the Board on a broad range of other strategic issues during the year.

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

Following the COVID-19 pandemic, the Board returned to meeting face-to-face in December 2022 and continues to livestream the meetings with the public and has invited members of the public to join the Board meetings since February 2024. Members of the public can send in questions for the Board, the answers to which are then reported on the Trust website. Board papers are also published on the Trust website before the meetings and can be found by following this link: https://www.sath.nhs.uk/about-us/trust-information/board-papers/

During 2023/24 the Board of Directors formally met in public seven times and meeting attendance is shown in the below table:

Dates of Board meetings held in public during 2023/24: **Board Members (*=non-voting)**	**13 Apr 2023**	**8 Jun 2023**	**10 Aug 2023**	**12 Oct 2023**	**14 Dec 2023**	**8 Feb 2024**	**14 Mar 2024**
Dr Catriona McMahon	√	√	√	√	√	√	√
Mrs Louise Barnett	√	√	√	√	√	√	√
Ms Sara Biffen	√	√	√	√	√	√	√
Mrs Teresa Boughey	√	√	√	√	√	x	√
Mrs Rhia Boyode*	x	√	√	√	√	√	√
Mr David Brown	√	√	√	√	√	√	√
Mr Rajinder Dhaliwal	x	√	√	√	√	√	√
Ms Rosi Edwards	√	√	√	√	√	√	√
Mrs Hayley Flavell	√	√	x	√	√	√	√
Dr John Jones	√	x	√	√	√	√	√
Mr Nigel Lee*	√	√	√	√	√	√	√
Ms Anna Milanec*	√	√	√	√	√	√	√
Mr Richard Miner			√	√	√	√	√
Ms Inese Robotham*	√	√	x	x	√	√	√
Ms Helen Troalen	√	√	√	√	√	√	√
Prof Trevor Purt	√	√	√	√	√	√	√

In addition, the Board met in private 12 times during the year. The Annual General Meeting was held on 30 August 2023.

The Board received (in public) reports from five committees chaired/co-chaired by the non-executive directors:

- Audit and Risk Assurance Committee
- Quality and Safety Assurance Committee
- Finance and Performance Assurance Committee
- People and Organisation Development Assurance Committee
- Ockenden Report Assurance Committee (last meeting held during April 2024).

In addition, during 2023/24 the Trust had:

- a Remuneration Committee, its membership being made up of all the non-executive directors and chaired by the Trust Chair, with delegated authority to make decisions on behalf of the Board
- a Charitable Funds Assurance Committee, which reports to the Board when the Board meets as the Corporate Trustee of charitable funds.

Board Balance Statement – a statement about the balance, completeness and appropriateness of the Board - 14 March 2024 (as published on the Trust website)

The Board currently comprises the Trust Chair, Chief Executive, four other Executive Directors and six other Non-Executive Directors. In addition, the Board has four non-voting other directors, and two Associate Non-Executive Directors (since February 2024).

The Board of Directors believes that the Trust is led by an effective Board, as the Board is collectively responsible for the exercise of the performance of the Trust. And, that no individual group or individuals dominate the meetings of the Board.

There is a clear separation of the roles of the Chairman and the Chief Executive. The Trust Chair has responsibility for the running of the Board, setting the agenda and for ensuring that all directors are fully informed of matters relevant to their roles. The Chief Executive has responsibility for implementing the strategies agreed by the Board and for managing the day-to-day business of the Trust.

The Board considers that the Non-Executive Directors bring a wide range of business, commercial, financial and clinical knowledge required for the successful direction of the Trust. All of the Non-Executive Directors are considered to be independent in accordance with the *Code of governance for NHS provider trusts*.

All directors are subject to an annual review of their performance and contribution to the management and leadership of the Trust.

Diversity is a vital part of the continued assessment and enhancement of board composition, and the Board recognises the benefits of diversity amongst its members.

At the present time, the Board is satisfied as to its balance, completeness and appropriateness and will keep these matters under review, in conjunction with NHS England who are responsible for appointing chairs and other non-executive directors of NHS Trusts.

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee's principal function is to assure the Board on the adequacy and effectiveness of the Trust's system of internal control and its arrangements for risk management, integrated governance processes, financial reporting and ensuring that the organisation operates effectively. It is a statutory committee of the Board of Directors.

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

The committee receives regular reports from the Trust's internal and external auditor and from the local counter fraud service. Executive directors and subject matter experts normally attend the meetings as well as the external auditor, KPMG LLP, and internal auditors, Merseyside Internal Audit Agency (MIAA).

The committee met regularly throughout the year. Chaired by Non-Executive Director Professor Trevor Purt, the committee comprises three non-executive directors (including the committee chair). The other committee members during the year and their attendance at meetings are shown in the following table:

Audit & Risk Assurance Committee attendance report 2023/24 - meeting dates: Non-executive committee members:	12 Apr 2023	17 May 2023	1 June 2023	15 June 2023	4 Oct 2023	6 Dec 2023	19 Feb 2024
Trevor Purt (Chair)	√	√	√	√	√	√	√
David Brown (last meeting 15/6/23)		√	√	√			
Teresa Boughey (member from 17/5/23)		x	√	√	x	√	√
Rosi Edwards (last meeting 12/4/23)	√						
Richard Miner (member from 04/10/23)					√	√	√
Regular executive attendees:							
Helen Troalen, Director of Finance	√	√	√	√	√	√	√
Anna Milanec, Director of Governance	√	√	√	√	√	√	√

During the year, the committee reviewed and updated its terms of reference; it also reviewed the Trust's Standing Financial Instructions, Standing Orders and Scheme of Reservation and Delegation, which were approved by the Board in December 2023.

The committee receives and monitors the policies and procedures associated with counter fraud and corruption. An independent local counter fraud service provided by MIAA produces an anti-fraud progress report giving updates on both reactive and proactive work undertaken in the Trust. The Anti-Fraud Work Plan was subject to approval by the Audit and Risk Assurance Committee.

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

Remuneration Committee

The Remuneration Committee is a statutory committee of the Board of Directors. It has delegated authority from the Board to determine the remuneration and terms of service of the Board executive directors and other senior managers and to be responsible for identifying and appointing candidates to fill all the executive director positions on the Board. The committee is also authorised to consider any matter relating to the continuing in office of any Board Executive Director. Note: NHS England is responsible for appointing chairs and other non-executive directors of NHS trusts.

The membership of the Committee consists of all of the Non-Executive Director Board members and the Trust Chair who chairs the committee. The committee reviewed its terms of reference during the year.

The attendance at meetings during the year is shown in the following table:

Remuneration Committee attendance report 2023/2024 - meeting dates:	14/06/2023	11/10/2023	10/11/2023	24/02/2024
Committee members:				
Dr Catriona McMahon (Non-Executive Director - Chair)	√	√	√	√
David Brown (Non-Executive Director)	√	√	√	√
Prof Trevor Purt (Non-Executive Director)	√	√	√	√
Teresa Boughey (Non-Executive Director)	√	√	√	x
Rosi Edwards (Non-Executive Director)	√	x	√	√
Richard Miner (Non-Executive Director)		√	√	√
Raj Dhaliwal (Non-Executive Director)	x	x	x	x

Quality & Safety Assurance Committee

The purpose of the Quality and Safety Assurance Committee (QSAC) is to seek and obtain evidence of assurance on the effectiveness of the Trust's clinical quality and safety governance structure, systems, and processes and the quality and safety of the services provided to achieve

consistently high-quality effective care, ensure continuous improvement and to meet legal and regulatory obligations.

The committee meets at least 10 times per year and is chaired by Rosi Edwards, Non-Executive Director.

The attendance at meetings during the year is shown in the following table:

Quality & Safety Assurance Committee attendance report 2023/24 - meeting dates: Committee Members:	26-Apr-23	31-May-23	28-Jun-23	26-Jul-23	30-Aug-23	27-Sep-23	25-Oct-23	29-Nov-23	27-Dec-23	31-Jan-24	28-Feb-24	27-Mar-24
Rosi Edwards (Non-Executive Director - Chair)	√	√	√	√	√	√	√	√	√	√	√	√
Hayley Flavell (Director of Nursing)	√	√	√	√	x	√	√	√	√	√	√	x
John Jones (Medical Director)	x	√	√	√	√	x	√	√	√	√	√	√
David Brown (Non-Executive Director)	√	√	√	√	√	√	√	√	√	√	√	√
Tim Lyttle (Associate Non-Executive Director)	√	√	x	x	√	√	√	x	√	√	x	
Sarah Dunnett (Associate Non-Executive Director)											√	√

Note: Deputies were in attendance where an executive director was unable to attend a meeting.

Finance & Performance Assurance Committee

The purpose of the Finance & Performance Assurance Committee is to:

- Undertake on behalf of the Board of Directors objective scrutiny and seek evidence of assurance of the Trust’s financial and operational performance plans, major investment decisions, capital plans, performance management and relevant regulatory compliance

- Provide the Board with an objective review of the financial position and performance of the Trust and assurance on the delivery of the Trust’s performance objectives, including identifying any significant risks and associated mitigating actions, making recommendations to Board, where required

- Consider processes for the preparation and the content of strategic and operational plans and annual revenue, capital and workforce budgets, and test the key assumptions and risks underpinning such plans

The committee meets at least 10 times per year and has reviewed its terms of reference during the year. The chair of the meeting during 2023/24 was Raj Dhaliwal, Non-Executive Director. The attendance at meetings during the year is shown in the following table:

Finance & Performance Assurance Committee attendance report 2023/24 - meeting dates:												
Committee Members:	25-Apr-23	30-May-23	27-Jun-23	25-Jul-23	29-Aug-23	26-Sep-23	31-Oct-23	28-Nov-23	20-Dec-23	30-Jan-24	27-Feb-24	26-Mar-24
Raj Dhaliwal (Non-Executive Director - Chair)	√	√	x	√	√	√	√	x	√	√	√	x
Helen Troalen (Director of Finance)	√	√	√		√	√	x	√	√	√	√	√
Sara Biffen (Chief Operating Officer)	√	√		x	√	x	√	√	√	√	√	√
David Brown (Non-Executive Director)	√	√	√	√	√	√	√	√	√	√	√	√
Teresa Boughey Non-Executive Director)	√	√	x	√								
Richard Miner (Non-Executive Director)					√	√	x	√	√	√	√	√
Simon Crowther (Associate Non-Executive Director)												√

Note: The meeting of 27 June was declared not quorate as there was only one non-executive director present. Deputies were in attendance where an executive director was unable to attend a meeting.

Ockenden Report Assurance Committee

The Ockenden Report Assurance Committee (a time limited committee) was established to provide assurance to the Board on progress against the Report's recommendations and, in response, the Trust's actions. The last meeting of this committee was held during April 2024. The attendance at meetings during the year is shown in the following table:

Ockenden Report Assurance Committee (in public) meeting dates:							
Committee members:	25 Apr 2023	30 May 2023	27 June 2023	25 July 2023	26 Sept 2023	28 Nov 2023	27 Feb 2023
Catriona McMahon Trust Chair (meeting chair)	√	√	√	√	√	√	√
Maxine Mawhinney, (external meeting Co-Chair)	x	√	x	√	√	√	x
Trevor Purt, Non-Executive Director	x	√	√	√	√	x	x
Louise Barnett, Chief Executive	√	√	x	√	x	x	x
Tim Lyttle, Associate Non-Executive Director	√	√	x	x			
Sarah Dunnett, Associate Non-Executive Director							√

John Jones, Medical Director	x	√	x	√	√	√	√
Hayley Flavell, Director of Nursing	√	√	√	√	√	√	√

People & Organisational Development Assurance Committee

The Board formally established a People & Organisation Development Assurance Committee in 2023 to receive assurances that staffing processes are safe, sustainable and effective and that the NHS People Promises are being delivered. The terms of reference for this committee were initially approved by the Board in April 2023 and then updated and approved again in October 2023. The committee changed its meetings from quarterly to bi-monthly from December 2023, along with changing its membership. The chair of the meeting since September 2023 is Teresa Boughey, Non-Executive Director (meeting previously chaired by the Trust Chair).

The attendance at meetings during the year is shown in the following table:

People & OD Assurance Committee attendance report 2023/2024 - meeting dates:	**11-May-23**	**25-Sep-23**	**07-Dec-23**	**07-Feb-24**
Committee members:				
Teresa Boughey (Non-Executive Director - Chair from Sept 2023)	√	√	√	√
Rhia Boyode (Director of People & OD)	√	√	√	√
David Brown (Non-Executive Director)	√	√	√	√
Trevor Purt (Non-Executive Director)	√	√		√
Sara Biffen (Chief Operating Officer)			√	√
Dr Catriona McMahon (Trust Chair)	√			
Louise Barnett (Chief Executive)	√			
Raj Dhaliwal (Non-Executive Director)	√			
Rosi Edwards (Non-Executive Director)	√			
Hayley Flavell (Director of Nursing)	√			
John Jones (Medical Director)	√			
Helen Troalen (Director of Finance)	√			

Disclosures – Code of Governance for NHS Provider Trusts

The Code of Governance for NHS Provider Trusts brings together best practice of the NHS and the private sector and was put in place from 1 April 2023. It applies on a *comply or explain* basis. Each section of the Code is built around a set of principles emphasising the value of good corporate governance to long-term sustainable success. Each section also incorporates a set of more detailed provisions to implement these. The SaTH Corporate Governance Team has undertaken an assessment against the detailed provisions of the Code to enable the Board/Trust to provide disclosures to meet the requirements of the Code of Governance, as part of this annual report.

The Trust complies with nearly all relevant provisions within the Code of Governance for NHS Provider Trusts (there are some provisions which only apply to Foundation Trusts and therefore, do not apply to The Shrewsbury and Telford Hospital NHS Trust).

Based on the *comply or explain* basis of the Code, the following disclosures are made:

Code of Governance provision reference	Relevant provision clause:	SaTH Disclosure:
Section B, 2.5	'The chair of the audit committee, ideally, should not be the deputy or vice chair or senior independent director.'	The longstanding chair of the Audit Committee was appointed as the Vice Chair of the Trust from 1 November 2023. This is not perceived to be an issue to the audit chair's independence or potential conflicts of interest, but will be monitored
Section C, 4.2	'The board should make a clear statement about its own balance, completeness and appropriateness to the	The statement on board balance was not available at the start of the 2023/24 financial year.

	requirements of the trust. Both statements should also be available on the trust's website.'	It was subsequently drafted and considered at February 2024 Remuneration Committee and then March 2024 public Board. Following this, it was placed on the Trust's website, therefore making the Trust compliant with the provision.

External Auditors' Remuneration

Fees payable to the external auditors, KPMG LLP (net of VAT) during the year for statutory audit services amounted to £121,000 (2022/23: £116,000). No additional work was undertaken by the external auditors for the Trust.

Following a mini competition process and a meeting of the Auditor Panel on 26 March 2024, on 11 April 2024 the Board approved the re-appointment of KPMG LLP as the Trust's external auditor for the three years 2024/25 to 2026/27, with an option to extend for a further two years, on an annual basis.

Public Sector Payment Policy – Better Payment Practice Code

In accordance with the Better Payments Practice Code and government accounting rules, the Trust's payment policy is to pay creditors by the due date, or within 30 days of receipt of a valid invoice, (whichever is the later) unless other terms have been agreed.

In 2023/24, the Trust paid 90.1% (2022/23: 66.4%) of non-NHS trade invoices within target, and 85.5% (2022/23: 61.4%) of NHS trade invoices within target. More details can be found in note 48 to the accounts.

Fraud, Bribery and Corruption

The Trust's Anti-Fraud, Bribery and Corruption Policy & Response Plan was updated in January 2024 and sets out the arrangements that the Trust maintains to deter, prevent, detect and investigate instances of fraud, corruption and bribery carried out against the Trust, and the wider

NHS. The policy was approved by the Board in March 2024 on a three-year review and has been reviewed to confirm no further update is required during the year 2023/24.

The Trust has a qualified Local Counter Fraud Specialist (contracted from MIAA) that supports the Trust in reducing the risk of fraud through annual fraud risk assessment, which informs an annual Anti-Fraud Work Plan. The Anti-Fraud Work Plan is subject to approval by the Audit and Risk Assurance Committee, with Anti-Fraud Progress Reports and an Annual Report presented to Audit and Risk Assurance Committee throughout the year.

Modern Slavery

Under Section 54 of the Modern Slavery Act, we are committed to ensuring that employees of the Trust are not exploited, that they are safe, that they have the right to work and remain in the country, and that their employment standards and human rights are adhered to. The Trust expects the same from its suppliers and is committed to working with them to ensure any issues are identified and proactively managed. Some controls in place include:

- Employment checks of individuals and of agencies which supply temporary staff.
- Use of NHS General Terms and Conditions of Contract for Goods and Services which cover all suppliers to the Trust including medicines.
- Due diligence within our procurement and tendering processes to test that selected suppliers and third parties are complaint with the legislation.

Declaration from directors as to audit information

The Directors are responsible for preparing the Annual Report and Accounts and consider the report to be a fair, balanced and understandable account of the performance for the year ended 2023/24.

Each director knows of no information which would be relevant to the auditors for the purpose of their audit report and of which, the auditors are not aware and, that they have taken all the steps that they should have taken to make themselves aware of any such information and to establish that the auditors are aware of it.

Register of Interests

Directors are asked to declare any interests that are relevant or material upon appointment and as soon as possible should a conflict arise during their term. The agendas of the Board and meetings of its committees contain an item allowing directors to declare any interests which may conflict with the scheduled meeting business.

The Board of Directors receives the Board member interests at its meeting held in public on a twice annual basis. The Register of Interests and Register of Gifts and Hospitality have been updated and maintained during the year, presented to the Audit & Risk Assurance Committee and placed on the Trust's website. The registers can be found via the following link: https://www.sath.nhs.uk/about-us/trust-information/registers-of-interests/

The Shrewsbury and Telford Hospital NHS Trust Charity (number 1107883)

Full details about the charity, including latest annual report and accounts, can be found on the Charity Commission website here: https://register-of-charities.charitycommission.gov.uk/charity-search/-/charity-details/4013618

Public Participation

Engagement with our communities

The Shrewsbury and Telford Hospital NHS Trust is committed to ensuring that the patient-public voice is at the centre of shaping our health services, both now and in the future. As an organisation we are committed to ensuring that our patients and local community have the opportunity to get involved in a timely and meaningful way. In October 2021, our Board of Directors approved our five-year Public Participation Plan, which outlines how we will engage with our local communities. We want to build greater public confidence, trust and understanding by listening and being responsive to the needs of our local communities. The Public Participation team (community engagement, volunteers and SaTH Charity) deliver this to our communities, and this is reported both to our Trust Board and the Public Assurance Forum on a quarterly basis.

The Public Assurance Forum Is co-chaired by a non-executive director and a forum-elected lay Chair (representing North Powys Health Forum). The forum membership consists of Trust representatives from the Divisions and representatives from a wide range of health and community groups. This year, we extended our membership of the forum to wider organisations who work with our seldom heard communities. The aim of the Public Assurance Forum is to bring a public and community perspective, and scrutiny of processes, decision making and wider work, which takes place at the Shrewsbury and Telford Hospital NHS Trust. It is an advisory group whose role is to ensure that decisions about services and the delivery of care are developed in partnership with our local communities. Standing agenda items include: an update on our Hospitals Transformation Programme and our quarterly engagement report supporting this Programme; our annual Public Participation Action Plans for Community Engagement; volunteers and SaTH Charity; and updates from member organisations and SaTH divisional colleagues.

To support our communities to get involved, we offer a free community membership scheme (for individuals and organisations). Our members receive a monthly email (#GetInvolved) update which has information about what is happening in the Trust, opportunities to get involved/upcoming events and information from our system/community partners.

Our target for the year 2023/24 was to increase our community membership by 10% across both individual and organisational members, which we have exceeded. Currently we have over 4,266 individual members and 413 organisations.

Community membership scheme type	01/04/2023	Target (10% ↑)	31/03/2024	Actual
Individuals	**3692**	**4061**	**4266**	**15.5%**
Organisations	**351**	**386**	**413**	**17.7%**

Hospitals Transformation Programme Engagement

The Public Participation Team has been supporting the Trust to engage with local communities around the Hospitals Transformation Programme (HTP). You can find our more on our website: https://www.sath.nhs.uk/about-us/get-involved/public-participation-2/get-involved-with-us-2/htp-focus-groups/

Since January 2023, SaTH has developed existing and new methods to inform and engage with the public around HTP, this includes:

- *HTP Public Focus Groups* — Focus groups are held quarterly and are aligned to the clinical workstreams within the HTP programme:
    - Quarterly Medicine, emergency, surgery, anaesthetics, and cancer focus group open to all
    - Quarterly Women's and Children's open to all
    - Bespoke focus groups on specific issues e.g. RSH planning application, Travel and Transport, and for patients/carers with specific conditions Mental Health, Dementia, Learning Disabilities and Autism, Children and Young People

- *HTP About Health Events* – Held via MS Teams live; these are quarterly events which are accessible to members of the public and staff. Questions can be addressed to the presenters

- *Attending community meetings* – Through our links with community organisations we offer to attend their meetings to provide an update on the HTP. This includes parish councils and other organisations who serve local communities

- *Community Events* – The Public Participation Team regularly attend external events to link with our local communities, this includes seldom-heard groups and communities. Providing information on the HTP is also important; a leaflet and feedback card is under development within the communications teams

- *Community Cascade (now Monthly Hospital Update)* **–** Community Cascade is a monthly update and provides an update to our local communities on news at SaTH (including a regular update on HTP)

- *1:50 Clinical Design Groups* – Public Assurance Forum and Patient and Carer's Experience Group public representatives were allocated to each of the clinical design 1:50 meetings with the clinical teams and architects to provide assurance around the clinical involvement and focus

Service Changes and Developments

When the Trust is considering service changes or developments, we work with our staff, local communities, and statutory bodies to ensure that we engage with our communities in a timely and meaningful way. The Trust has a legal duty under Section 242 of the of the NHS Act 2006 to involve the public and patients in decision making around service changes and developments.

In 2023/24, we have engaged with our local communities around the following service changes:

- Renal Dialysis, Princess Royal Hospital
- Fetal Medicine

To ensure that our public can be kept informed and engaged on any proposed or approved service change, we place all information relating to the service change on our website: https://www.sath.nhs.uk/about-us/get-involved/public-participation-2/get-involved-with-us-2/services-changes-and-development/

This includes:

- The presentation to our stakeholders and communities
- Equality Impact assessment
- Engagement Plan and Report
- Questions and Answers

Social Inclusion

Working with all our communities is a fundamental part of our work, and it's important that as a health service we reach out to those communities where there may be barriers to healthcare and health inequalities are known. A key focus of our work with seldom heard communities is to ensure that they have opportunity to contribute to programmes within the Trust. This year, the community engagement team has been reaching out to organisations who support individuals and communities who may impacted by health inequalities, such as BAME groups, Gypsy and traveller communities, homelessness and rough sleeping, rurality, veterans and looked after children.

We are also working with Powys Association of Voluntary Organisations to explore new ways of engaging the rural agricultural community in relation to Health and Wellbeing. We hope that this will help us to develop sustainable engagement with rural communities across Shropshire and mid- Wales.

We have also focused on the Core20Plus 5 priorities and have worked with partners to identify areas of greatest impact. All the team received cancer champion training to help us reach out to those communities where health inequalities exist.

Areas of focus are identified each year and are incorporated into our Community Engagement Action Plan.

Volunteers

Our patients, their friends and families and our workforce are supported by an amazing group of people who give up their time to help – our volunteers.

At the Trust, we are able to accept volunteers from 16 years old and we have no upper age. Currently we have 323 active volunteers who are consistently providing over 2,000 hours of

support every month to various wards and departments. Most individuals volunteer for three-four hours a week, whilst others give far more hours to our hospitals each week.

	2021/2022	2022/2023	2023/2024
Number of volunteers who undertook a shift	253	432	413
Average number of hours volunteering per person across the year	53	59	63
Total number of hours of volunteering for the year	13,020	25,548	25,909
Total number of shifts of volunteers for the year	2,647	6,450	6,724

Following a successful bid grant from Helpforce (a national Charity), over the past year we have developed our Volunteer to Career Programme. The project aims to give hands-on experience to people contemplating a career in the NHS, through volunteering, developing their skills and knowledge and mentoring. The programme started in December 2022 and is focusing on careers within maternity. The programme ran two successful cohorts and has seen 16 volunteers go on to further education in a midwifery programme and three into paid employment.

The Youth Volunteer Programme has allowed people aged 16-18 to undertake volunteering. Many of our young volunteers went on to consider a career within health and social care, and the young volunteer scheme has supported a number of young people to gain the experience they needed.

A very BIG thank you to all our Volunteers, past and present.

Remuneration Report

This Remuneration Report considers the senior managers of the organisation. 'Senior managers' are defined as those persons in senior positions having the authority or responsibility for directing or controlling the major activities of the Trust. This means, those persons who influence the decisions of the organisation as a whole, rather than those who take decisions at divisional or departmental level. For the purposes of this report, this covers the Trust's non-executive directors and executive directors (voting and non-voting).

Remuneration Policy

The Trust's approach to Remuneration Policy for Directors is in line with guidance issued by NHSE in order that directors' pay remains both competitive and provides value for money. The Trust has a Remuneration Committee that agrees the remuneration packages for executive directors and other senior managers on locally agreed pay. The Remuneration Committee has met regularly during the year.

Remuneration figures in the following tables represent actual remuneration rather than full year effect, and the band of the highest paid directors' remuneration excludes pension related benefits and is based on annualised, full time equivalent remuneration.

The expense payments for the Chair and non-executive directors are 'home to base' mileage, taxed at source.

The tables that follow are subject to audit:

Salary and Pensions entitlements of senior managers 2023/24

Remuneration of senior managers 2023/24 — **subject to audit**

2023/24							
Name and Title	**Salary £000**	**Other Remuneration £000**	**Expense payments (taxable) £0**	**Performance pay and bonuses £000**	**Long term performance pay and bonuses £000**	**All pension-related benefits £000**	**TOTAL £000**
Executive Directors:							
Louise Barnett Chief Executive	240-245	-	-	-	-	0	240-245
Sara Biffen Acting Chief Operating Officer	150-155	-	100	-	-	0	150-155
Hayley Flavell Director of Nursing	150-155	-	-	-	-	40-45	190-195
Dr John Jones Medical Director	260-265	-	-	-	-	0	260-265
Nigel Lee Interim Director of Strategy & Partnerships	150-155	-	600	-	-	510-515	660-665
Helen Troalen Director of Finance	160-165	-	-	-	-	20-25	185-190
Inese Robotham Assistant Chief Executive	150-155	-	100	-	-	0	150-155
Rhia Boyode Director of People & Organisation Development	190-195	-	-	-	-	Opted out of NHS pension scheme	190-195
Anna Milanec Director of Governance	120-125	-	-	-	-	0-5	125-130
Non-Executive Directors (NED):							
Dr Catriona McMahon Chair	55-60	-	3,600	-	-	-	60-65
Teresa Boughey, NED	10-15	-	500	-	-	-	10-15
Richard Miner, NED[3]	5-10	-	-	-	-	-	5-10
David Brown, NED	10-15	-	-	-	-	-	10-15

Simon Crowther, Associate NED[1]	0-5	-	-	-	-	-	0-5
Wendy Nicholson, Associate NED[2]	0-5	-	-	-	-	-	0-5
Trevor Purt, NED	10-15	-	500	-	-	-	10-15
Rajinder Dhaliwal, NED	10-15	-	200	-	-	-	10-15
Rosi Edwards, NED	10-15	-	-	-	-	-	10-15
Timothy Little, Associate NED***	10-15	-	900	-	-	-	10-15
Sarah Dunnett, Associate NED****	0-5	-	-	-	-	-	0-5

[1] Commenced 5.2.24

[2] Commenced 13.3.24. Novice NED.

[3] Commenced 1.8.24

*** Left 29.2.24

**** Commenced 1.2.24

To note: Choices made by individuals as to whether to opt into, or out of, the NHS Pension scheme, may distort salary or ‘all pension related benefits’ figures in a given year.

Remuneration of senior managers reported in 2022/23 (comparison) — **subject to audit**

2022/23							
Name and Title	**Salary £000**	**Other Remuneration £000**	**Expense payments (taxable) £0**	**Performance pay and bonuses £000**	**Long term performance pay and bonuses £000**	**All pension-related benefits £000**	**TOTAL £000**
Executive Directors:							
Louise Barnett Chief Executive	210-215	-	-	-	-	95-100	305-315
Sara Biffen Acting Chief Operating Officer	145-150	-	-	-	-	330-335	475-485
Hayley Flavell Director of Nursing	145-150	2	-	-	-	150-155	300-310

Dr John Jones Medical Director	200-205	18	-	-	-	55-60	275-285
Nigel Lee Interim Director of Strategy & Partnerships	145-150	-	-	-	-	Opted out of NHS pension scheme	145-150
Helen Troalen Director of Finance	150-155	-	-	-	-	90-95	240-250
Inese Robotham Assistant Chief Executive	5-10	-	-	-	-	90-95	95-105
Rhia Boyode Director of People & Organisation Development	150-155	-	-	-	-	Opted out of NHS pension scheme	150-155
Anna Milanec Director of Governance	115-120	-	-	-	-	40-45	155-165
Richard Steyn Co-Medical Director	180-185					320-325	505-510
Non-Executive Directors (NED):							
Dr Catriona McMahon Chair	55-60	-	3,200	-	-	-	55-60
Teresa Boughey, NED	10-15	-	-	-	-	-	10-15
Anthony Bristlin, NED[3]	1-5	-	400	-	-	-	1-5
David Brown, NED	10-15	-	300	-	-	-	10-15
Clive Deadman, NED[1]	5-10	-	-	-	-	-	5-10
Dr David Lee, NED[2]	5-10	-	-	-	-	-	5-10
Trevor Purt, NED	10-15	-	400	-	-	-	10-15
Rajinder Dhaliwal, NED*	10-15	-	-	-	-	-	10-15
Rosi Edwards, NED**	10-15	-	-	-	-	-	10-15
Timothy Little, Associate NED***	1-5	-	-	-	-	-	1-5
Julie Green, Associate NED****	10-15	-	200	-	-	-	10-15

Note:

[1] Left 31.12.22

[2] Left 2.12.22

[3] Left 30.4.22

* Commenced 1.5.22

** Commenced 1.6.22

*** Commenced 1.3.23

**** Commenced 1.5.22, left 28.2.23

All Pension Related Benefits

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

Salary and pension entitlements are provided for the 'executive directors' as non-executive directors do not receive pensionable remuneration.

All Pension Related Benefits 2023/24 – **subject to audit**

	2023/24							
Name and Title	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2024 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2024 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2023	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2024	Employer' s contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Louise Barnett Chief Executive	0	55-57.5	60-65	160—165	1,080	197	1,418	0
Hayley Flavell Director of Nursing	0-2.5	32.5-35	60-65	170-175	986	267	1,373	0
Helen Troalen Director of Finance	0-2.5	40-42.5	40-45	110-115	552	217	847	0
Dr John Jones Medical Director	0	25-27.5	70-75	195-200	1,407	132	1,711	0
Sara Biffen Acting Chief Operating Officer	0	30-32.5	70-75	200-205	1,405	202	1,770	0

Inese Robotham Assistant Chief Executive	0	37.5-40	45-50	120-125	730	180	1,005	0
Anna Milanec Director of Governance	0-2.5	-	25-30	-	393	77	526	0
Nigel Lee, Director of Strategy and Partnerships	25-27.5	-	25-30	-	0	437	457	0

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.

Fair Pay Disclosure – **subject to audit**

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director at the Shrewsbury and Telford Hospital NHS Trust in the financial year 2023-24 was in the salary banding of £260,000 to £265,000 (2022-23: £215,000 to £220,000). This was 7.67 times (2022-23: 6.82 times) the median remuneration of the workforce, which was £34,234 (2022-23, £31,912).

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

The median remuneration ratio of the workforce increased by 12.50% (2022-23: 7.26%).

	2023-24	2022-23
The yearly percentage change in the highest paid director's remuneration*	20.04%	1.82%
The yearly percentage change in the total average employee remuneration**	5.22%	10.18%
The ratio between the highest paid director's remuneration and the pay and benefits of the employee on the 25th percentile of pay and benefits of the Trust's employees for the financial year	10.22	8.96
The ratio between the highest paid director's remuneration and the pay and benefits of the employee on the 75th percentile of pay and benefits of the Trust's employees for the financial year	5.4	4.74
25th percentile of pay	£25,564	£24,408
75th percentile of pay	£48,581	£46,141
Average annualised pay	£53,562	£52,756
Range of pay for an FTE of 1	£10,324 - £339,948	£9,405- £332,800
Number of employees receiving remuneration in excess of the highest paid director	24	30

* *The highest paid director was in an acting position to temporarily fill the vacant post, and during this time was supported by a Co-Director who left the Trust in March 2023. Following this, the Director was the successful candidate in a competitive recruitment process and the increased salary offered reflect the increase in scope and responsibility after the Co-Director left.*
*** 2022-23 included pay awards and non-consolidated lump sum in relation to 'Agenda for Change.'*

Year	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023-24	10.27	7.67*	5.40
2022-23	8.96	6.82	4.74

**The median pay ratio is a measure of wage dispersion. Pay is in line with national guidance for very senior managers within NHS Trusts and where appropriate all executive pay offers are discussed with NHSE and approved by the Trust's Remuneration Committee.*

No payments were made to directors, past or present, including for compensation or loss of office. No additional benefits were made to directors for early retirement.

Exit Packages agreed in 2023/24

This section provides an analysis of exit packages agreed with staff during the 2023/24 year (along with a 2022-23 comparison) and is subject to audit. Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Scheme.

Exit Packages 2023/24 **– subject to audit**

Exit packages 2023/24			
Exit package cost band (including any special payment element).	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
<£10,000		21	21
£10,000 - £25,000		1	1
£25,001 - £50,000			
£50,001 - £100,000			
£100,001 - £150,000			
£150,001 - £200,000			
>£200,000			
Total number of exit packages by type	0	22	22
Total cost (£)	-	£77,772	£77,772

Exit Packages 2022/23 (comparison) **– subject to audit**

Exit packages 2022/23			
Exit package cost band (incl. any special payment element.)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
<£10,000		20	20
£10,000 - £25,000		2	2
£25,001 - £50,000			
£50,001 - £100,000			
£100,001 - £150,000			
£150,001 - £200,000			
>£200,000			
Total number of exit packages by type	0	22	22
Total cost (£)	-	£117,000	£117,000

Exit packages: other (non-compulsory) departure payments **– subject to audit**

Other non-compulsory departure payments				
	2023/24		2022/23	
Type	Number of payments agreed	Total value of agreements £000	Number of payments agreed	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	21	66	22	117
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	-	-	-	-
Total	**21**	**66**	**22**	**117**
Of which, non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-	-	-

Reporting related to the Review of Tax Arrangements of Public Sector Appointees

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

The Trust is required to disclose:

- All off-payroll engagements as of 31 March 2024, greater than £245 per day and that last longer than six months.
- All new off-payroll engagements, or those that reached six months in duration, between 1 April 2023 and 31 March 2024, greater than £245 per day and that last for longer than six months.

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

These disclosures are provided within the following three tables - **subject to audit:**

For all off-payroll engagements as of 31 March 2024, for more than £245 per day and that last longer than six months:	**Number 2023/24**	Number 2022/23
Number of existing engagements as of 31 March 2024	12	17
Of which, the number that have existed:	-	-
for less than one year at the time of reporting	5	7
for between one and two years at the time of reporting	3	7
for between two and three years at the time of reporting	2	3
for between three and four years at the time of reporting	1	-
for four or more years at the time of reporting	1	-

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2023 and 31 March 2024, for more than £245 per day and that last for longer than six months	**Number 2023/24**	Number 2022/23
Number of new engagements, or those that reached six months in duration, between 1 April 2023 and 31 March 2024	12	17
Of which:	-	-
Number assessed as caught by IR35	-	-
Number assessed as not caught by IR35	12	17
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	-	-
Number of engagements reassessed for consistency/assurance purposes during the year	-	-
Number of engagements that saw a change to IR35 status following the consistency review	-	-

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024	**Number 2023/24**	Number 2022/23
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year	0	0
Total 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. This figure includes both on payroll and off-payroll engagements.	20	22

Staff Report

We employ around 7,000 staff, all of whom contribute to the vision ' to provide excellent care for the community that we serve'. The majority of our staff are permanently employed clinical staff directly involved in delivering patient care, as well as a number of non-clinical staff, including scientific, technical and administrative teams. The following table provides a breakdown of our workforce:

Average number of employees (WTE basis) – subject to audit				
			2023/24	2022/23
Type	Permanent number (WTE)	Other number (WTE)	**Total number (WTE)**	Total number (WTE)
Medical and dental	783	157	**940**	868
Ambulance staff	10	-	**10**	8
Administration and estates*	1,750	96	**1,846**	1,370
Healthcare assistants and other support staff	1,714	294	**2,009**	1,501
Nursing, midwifery and health visiting staff	1,895	428	**2,323**	2,314
Nursing, midwifery and health visiting learners	5	-	**5**	24
Scientific, therapeutic and technical staff	525	35	**560**	753
Healthcare science staff	188	25	**213**	343
Social care staff	-	-	**-**	-
Other	-	-	**-**	-
Total average numbers	6,870	1,036	**7,906**	7,181
Of which: Number of employees (WTE) engaged on capital projects	34	6	**39**	34

*Administration and estates is a broad category that includes many frontline staff such as ward clerks, housekeepers and cleanliness technicians as well as corporate staff such as finance, human resources and admin functions. The increase is broadly driven by the former group.

Communicating with staff

Communication and staff engagement is critical to ensure colleagues feel connected and part of our decision making and improvement journey. We place great importance on staff engagement, as there is a positive correlation with the quality of patient care. In 2023 we improved in all elements of the people promise staff survey. Each month we produce a range of communication for colleagues to share information, good practice and encouraging colleague feedback, including various online magazines called Chatterbox and Impact. We also utilise our engagement platform – 'Making a Difference Together' to hold engagement conversations with colleagues on issues or to seek staff views. Our executive team leads a monthly Cascade

session, which also encourages colleague questions and ideas on improvements. Our Staff Networks are supported by members of the senior and executive team, and we engage regularly with our volunteers and patient advocacy groups. We also have an annual recognition programme, which includes annual Trust Awards, where we celebrate and recognise great practice and where teams or individuals have gone above and beyond.

Staff Survey

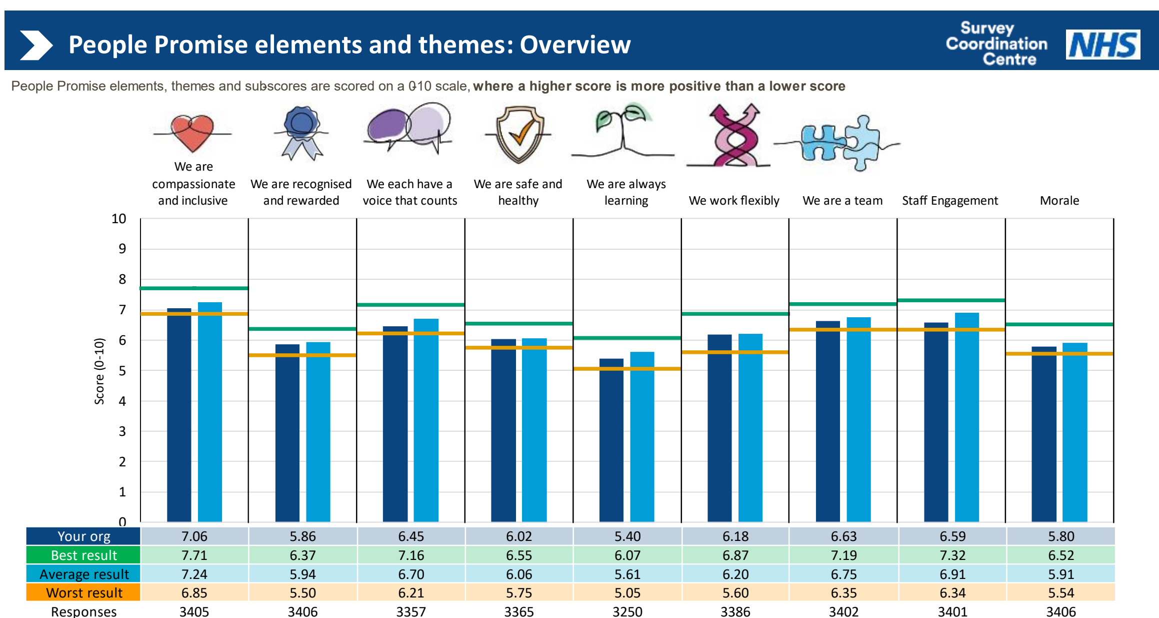
The information from the staff survey, together with information from ‘Making a Difference Together’, the online conversation platform and the People Pulse, is used to inform action plans and helps us to improve the working lives of our staff, and so provide better care for patients. The NHS People Pulse also supports identification of any incremental changes and trajectories allowing early intervention, should that be required.

The questions from the staff survey are also aligned to the People Promise. This is in keeping with the wider NHS vision of making the NHS a great place to work.

Staff Survey Results

We achieved a 45% response rate, which matched the median average of 45% in our sector. This was a decrease versus last year's percentage. However, with the increase in colleagues within the Trust in 2023, this sees our highest physical number of responses to date for the survey at 3412 in 2023 versus 3380 in 2022.

The Trust scores for all seven People promises and two themes have improved from 2022 to 2023. Also, all our 21 sub-themes improved year on year. This is a huge achievement and better than last year. The People Promise "We work flexibly" saw an increase of 0.42 which is an increase on last year's results and is a key flagship programme from the 2021 Staff Survey results. No questions have dropped, and this is deemed by IQVIA (staff survey provider) to be down to effective action.



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagement	Morale
Your org	7.06	5.86	6.45	6.02	5.40	6.18	6.63	6.59	5.80
Best result	7.71	6.37	7.16	6.55	6.07	6.87	7.19	7.32	6.52
Average result	7.24	5.94	6.70	6.06	5.61	6.20	6.75	6.91	5.91
Worst result	6.85	5.50	6.21	5.75	5.05	5.60	6.35	6.34	5.54
Responses	3405	3406	3357	3365	3250	3386	3402	3401	3406

Our overall score for Engagement is at its highest since the pandemic at 6.59, with the score for the sub-theme of Motivation mirroring that of the average for our sector. The score for the sub-theme of Involvement is also at its highest since the pandemic at 6.70. Similarly, Advocacy has increased from last year from 5.60 to 6.02.

The National Staff Survey is an important method of data collection as it allows us to evaluate how we are doing and to show that we are listening by acting on the issues that our staff anonymously say are important to them.

Areas for Improvement

Although it is noted that we have achieved good results which gives an indication of a Trust which is continuing to improve experiences of staff, many scores are still below sector comparison, so our focus should be on continuing the upward trend. In what is an incredibly challenging time, the results show we are responding well to current challenges.

The improvement in our scores across all the People Promise elements is the culmination of the last three years' work and that of our progress in our flagship programmes, the Trust's People Strategy and the People Promise priority actions. However, apart from We Work Flexibly, where we are a comparator with our peers, we remain in the lower percentile for our sector. We will continue to focus on delivering the key changes identified from our staff feedback. Over the last 12 months:

Diversity and Equality

- We have continued to develop our staff diversity and inclusion networks
- Delivered our 'Galvanize' leadership development programme for our Black, Asian, and ethnic minority colleagues
- Working to deliver our actions as described in our Equality, Diversity and Inclusion (EDI) 6 High Impact Actions Plan

Bullying and Harassment

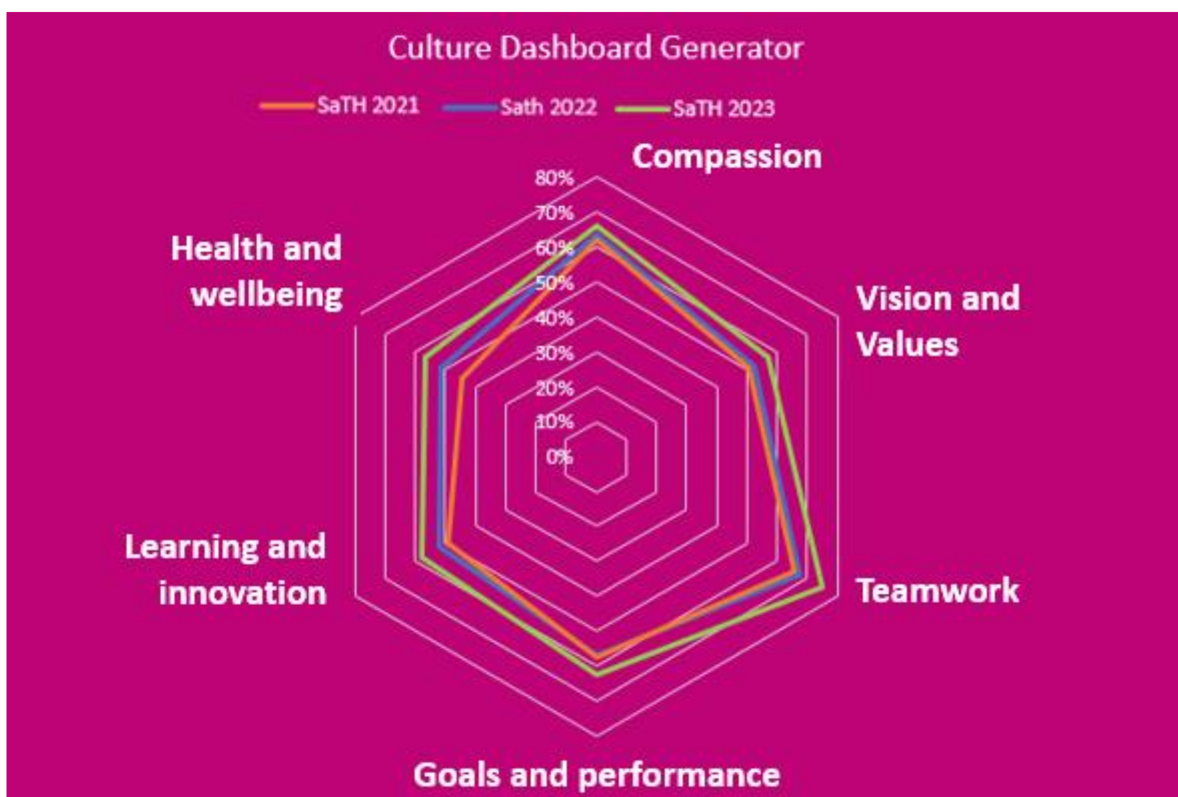
- We have delivered our Civility, Respect, Inclusion and Kindness programme to over 1,000 colleagues across the Trust
- Our Freedom to Speak up Team have continued to support colleagues to speak up for positive change

Health and Wellbeing

- Launched and embedded our Psychology Hub to support wellbeing for teams and individuals
- Continued to expand our health and wellbeing offer, covering mental, physical and emotional health, as well as financial wellbeing

Culture Dashboard

The Culture Dashboard continues to be a key tool to measure our progress for cultural transformation within the Trust from the staff survey results. The six key themes have enabled there to be a focused approach to support, and cultural interventions to drive, the increase in scores. In 2023, we have seen an increase since the 2022 results, as can be seen within the following graph:



Staff Costs – subject to audit				
			2023/24	2022/23
Type	Permanent £000	Other £000	**Total £000**	Total £000
Salaries and wages	322,266	1,747	**324,013**	290,274
Social Security Costs	33,671	-	**33,671**	28,864
Apprenticeship levy	1,674	-	**1,674**	1,393
Employer's contributions to NHS pension scheme	52,956	-	**52,956**	46,112
Pension cost - other	-	-	**-**	-
Other post employment benefits	-	-	**-**	-
Other employment benefits	-	-	**-**	-
Termination benefits	-	-	**-**	-
Temporary Staff	-	41,349	**41,349**	46,529
Total gross staff costs	410,567	43,096	**453,663**	413,172
Recoveries in respect of seconded staff	-	-	**-**	-
Total Staff Costs	410,567	43,096	**453,663**	413,172
of which				
Costs capitalised as part of the assets	2,100	645	**2,745**	2,238

Expenditure on Consultancy

The Trust spent £926,000 on consultancy during 2023/24 (£595,000 in 2022/23).

Analysis of staff numbers

The figures in the following tables are calculated based on headcount in the organisation at 31 March 2024, unless otherwise indicated.

The Trust had 323 new starters in medical and dental roles over the last 12 months (up to March 2024) inclusive of 153 Deanery doctors. During the same period, the organisation had 237 leavers, of which 144 were Deanery doctors. This represents an overall headcount increase of 10% across all medical and dental staff.

Medical & Dental Starters & Leavers (Headcount)		
Job Role	**New Starters**	**Leavers**
Consultant	29	29
Specialty Doctor	36	13
Deanery Postgraduate Doctor - Foundation Level	42	42
Deanery Postgraduate Doctor (ST1-8)	111	102
Locally Employed Doctor - Foundation Level	23	1
Locally Employed Doctor - Specialty Registrar (ST1-8)	82	51
Total:	323	238

Equality Diversity & Inclusion

We want our workforce to reflect the diversity of our local community. We want our services to be developed in partnership with our communities, shaped around their needs to ensure the very best care is being delivered.

The COVID-19 pandemic shifted the landscape globally and influenced every aspect of our lives and the way the NHS operates. This has affected our people, patients and our community in an unprecedented way. The disproportionate impact of COVID-19 on many of our communities brought into focus many health inequalities. This has been particularly detrimental on people living in areas of high deprivation, on people from ethnic minority communities, on older people, those with a learning disability and others with protected characteristics.

In response to these changes and the publication of the NHS People Plan and People Promise, we reviewed our existing Working Together Strategy and recognised the need to strengthen our position on Well-being, Inclusion and Health Inequalities to ensure it is aligned to the new national NHS equality agenda and will create a culture that is positive, compassionate, and inclusive.

We will continue to:

- Review and improve our services to meet the needs of our patients, carers and colleagues
- Collect and analyse patient and colleague experience and feedback
- Work with patients and carers to ensure information is shared in their preferred format

- Work closely with our education providers to promote NHS Careers
- Continue to grow our David Forbes-Nixen intern programme
- Listen to our staff and build our allyship and networks to support this
- Provide education and training to our colleagues
- Continue to foster a culture of kindness, civility, respect and inclusion
- Prioritise our commitment to ensure diversity and inclusion right across all roles and especially at senior roles
- Continue and grow our commitment to widening participation
- Support our colleagues to stay healthy
- Continue to deliver and build our leadership masterclasses and development programmes for all leaders across the Trust
- Provide support for coaching, cultural reviews, schwartz rounds and on-going educational and development opportunities
- Measure our progress

We have updated our Recruitment and Selection policy, to ensure consistency, inclusivity and fairness in the selection process. We have also renewed our status under the Disability Confident Scheme which encourages an inclusive approach to the recruitment of applicants with long-term conditions and disabilities. We have introduced a new guidance for supporting neurodivergent employees in the workforce recognising reasonable adjustments that may be needed to support from recruitment to working experience. Our Education Prospectus and Training and Development policy outlines an inclusive approach to developing our employees and supports the use of widening participation schemes to provide a more accessible means of working at SaTH. All key employment policies are inclusive and regularly reviewed to ensure they are relevant.

Please see our Equality, Diversity and Inclusion Annual Report, our Workforce Race Equality Standard and Disability Standard reports for more detail via our website.

Our year at a glance

The Shrewsbury and Telford Hospital
NHS Trust

272
Staff network members

1 New Multi Faith staff network launched & increased pastoral care

Over **200**
pledges made by staff to support their LGBTQIA+ colleagues and patients at SaTH

25%
Of our colleagues at SaTH are from an ethnic minority background

150

Doctors completed Equality & Diversity training

DFN project at SaTH
supporting **12**
young intern adults with learning disabilities and autism.

11 EDI events took place

1 Show Racism The Red Card event

2 Guest speakers at EDI events

Met 'Best Performing' criteria for 2 disability metrics set by NHSE.

SaTH is disability confident employer level 2

The **ethnic** diversity of our workforce **now reflects** the ethnic diversity of the communities we serve

30
FTSU 30 Voices surveys completed

EDI questions added to the talent conversation / appraisal

4
Community & Integrated Care System events across Shropshire

45%

Of new starters to SaTH in 2023 have an ethnic minority background

92% nurses & AHPs from ethnic minority backgrounds participated in the EDI induction

Launched Galvanise Leadership Programme for colleagues from ethnic minority background

You can access the workforce Race and Disability reports here FINAL-APPROVED-WRES-Report-2023.pdf (sath.nhs.uk)

Increase of **46%** in community membership and 29% in community organisation members exceeding 10% target in 2023

Staff gender distribution

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

Gender Breakdown (headcount) **2023/24**	**Male**	**Female**	**Total**	**Percentage of total**
Board level directors	2	7	9	0.11%
Non-Executive Directors/Chair	5	5	10	0.12%
Senior Managers	20	44	64	0.78%
All other employees	1789	6288	8077	98.98%
Grand Total	22.25%	77.75%	8160	

Turnover

Turnover for the year 2023/24 reduced by 2% to 11.07% compared to 13.06% in 2022/23. A reduction in the turnover rate has been seen across all staff groups, with the exception of Additional Professional Scientific and Technical, which has increased by 1.2% compared with 22/23.

Staff turnover figures are published by NHS Digital using data drawn from the Electronic Staff Record (ESR) data warehouse. The latest version, which covers the year to 2023, can be found on the NHS Digital website: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics

Sickness absence

The Trust's staff sickness absence data for 2023/24 is provided below:

Staff Sickness Absence 2023/24	**2023/24** (Number)	2022/23 (Number)
Total days lost	79,948	85,688
Total staff years	6,676	6,164
Average working days lost (per WTE)	**12**	**14**

The sickness absence figures are reported on a calendar basis, rather than for the financial year. These statistics are published by NHS Digital, using data drawn for January 2024 to December 2024 from the ESR data warehouse. The latest publication, covering the year to December

2024, can be found on the website of NHS Digital.

Safe Working Environment

The Trust commissioned a Staff Psychology Service, which commenced in March 2023, as part of its commitment to improving the psychological safety and wellbeing of its staff. This is in recognition of the trauma and burnout that can occur in NHS staff working under pressure in acute settings. The Staff Psychology Service offers psychological interventions at both individual and team level to support individuals or teams that experience psychological or emotional distress in relation to things that they have experienced at work. The service can offer preventive interventions such as reflective practice or training (on a variety of topics) to support staff in pro-actively maintaining psychological wellbeing.

PACT
Partnering Ambitious Caring Trusted

To read the full Health & Wellbeing offer, click **here**.

NHS
The Shrewsbury and Telford Hospital
NHS Trust

The Staff Psychology Service are available to provide support to teams across the trust including:

- Consultancy
- Formulation
- Team interventions
- Critical Incident Debriefing
- Reflective Practice
- Bespoke Training
- Embedding Psychological Thinking

Staff Psychology Service

Please contact The Staff Psychology Service to discuss how your team can be supported: Sath.staffpsychology@nhs.net

Psychological Support For Your Team

Psychological Support For You

Practical Support & Problem Solving

Peer Support & Signposting

Health & Wellbeing

ISSUES RELATED TO WORK:

Staff Psychology Service
Confidential, highly specialist psychological assessment, formulation and evidence-based intervention available for any member of staff within the trust. Email: Sath.staffpsychology@nhs.net

FOR PERSONAL ISSUES:

MPFT Psychological Wellbeing Hub
Providing evidence-based therapies and advice and signpost to additional sources of support. Tel: 07890 066445 Email: stwstaffwellbeing@mpft.nhs.uk
Web: www.mpft.nhs.uk/services/psychological-wellbeing-hub

ADDITIONAL SUPPORT FOR MEDICAL STAFF ONLY:

Phoenix Psychology
A confidential space to process the impact of work and personal experiences
Clare.thompson@phoenixpsychology.co.uk (use SaTH referral as the email subject)

HR/People Advisory Team
Support, advice and guidance to managers and staff on all employment issues. Email: sath.hradvice@nhs.net

Coaching
SaTH ILM Coaches have undergone accredited training and can support you to use your own skills and resources to move forward with current issues and challenges.
Email: sath.coaching@nhs.net

Occupational Health (Optima Health)
A confidential advisory service to employers and employees on health issues relating to work and work issues relating to health.
Email: team1@optimahealth.co.uk
Tel: 01327 810777
Web: https://intranet.sath.nhs.uk/hr/make_an_appointment.asp

Care First
Confidential, impartial advice and support for issues such as wellbeing, family matters, relationships, and debt management. Tel: 0800 174319
Web: www.carefirst-lifestyle.co.uk (username: sath password: employee)

Mental Health First Aiders & Peer 2 Peer Listeners
Trained peer listeners available to provide confidential listening support and signposting.
Email: sath.ahealthieryou@nhs.net

Freedom to Speak Up Guardians
Providing support and advice to those that want to raise concerns to ensure that any safety issue is addressed. Email: sath.ftsu@nhs.net

The Chaplaincy Team
Available for staff, visitors and patients who are in need of religious/spiritual help or for those who have no faith at all, providing listening support and signposting.
Email: Sath.chaplaincyteam@nhs.net
Tel: ext 3638 (RSH) / ext 4519 (PRH)

Staff Support Groups
A number of support groups are available to staff for example Long COVID.
Details can be found at: https://intranet.sath.nhs.uk/hr/health_wellbeing/

If you are unsure what help or support you might need please contact the Staff Psychology Service

Occupational Health Services

Optima Health provides comprehensive occupational health services to The Shrewsbury and Telford Hospital NHS Trust, encompassing two main sites. A broad spectrum of services aimed at enhancing the health, well-being, and productivity of employees within these sites, as well as several other trusts across the region is available. Services include:

1. New Starter Pre-Placement Questionnaires (PPQs)
2. Immunisations
3. Self-Referral Services
4. Manager Referral Services
5. Employee Assistance Programme (EAP) via HELP
6. Overseas Clinics
7. Annual Flu Vaccinations
8. Full Immunisation Reviews for New Starters
9. Health Surveillance

Optima Health and the Trust remain committed to promoting employee health, well-being, and productivity, and we are proud to support our partner trusts in achieving their occupational health objectives.

Trade union facility time disclosures at 31 March 2024

Entities within the scope of the Trade Union (Facility Time Publication Requirements) Regulations 2017, are required to publish details in their Annual Report. The Trust's disclosures for the year 2023/2024 are as follows:

Trade unions and numbers of representatives	Number
Total number of employees who were relevant union officials during the relevant period	30
Number of employees in the organisation (WTE)	7123.19

Percentage (%) of time spend on facility time	%
0%	18
0 – 50%	10
51 – 99%	0
100%	2

Percentage (%) of pay bill spent on facility time	% / £
Total cost of facility time	£102,821
Total pay bill	£451,076,456
Percentage facility time	0.023%

Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	
Total hours spent on paid trade union activities by relevant union officials during the relevant period divided by total paid facility time hours, multiplied by 100.	10.7%

Louise Barnett
Chief Executive Officer

14 June 2024

Annual Governance Statement – 2023/24

1. Scope of Responsibility

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

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 Shrewsbury and Telford Hospital NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in the Shrewsbury and Telford Hospital NHS Trust (the Trust) for the year ended 31 March 2024 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

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

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

I am also supported in my role through the assurance committees of the Board of Directors, each under the chairmanship of a Non-Executive Director, with appropriate membership, or contribution, from members of the Executive Team. These committees comprise the Audit and Risk Assurance Committee, Quality and Safety Assurance Committee, Finance and Performance Assurance Committee, People and Organisational Development Assurance Committee and the Ockenden Report Assurance Committee (a time limited committee which was established and held its first meeting in March 2021 and held its last meeting in April 2024). A statutory Remuneration Committee is in place which has delegated authority from the Board to determine the remuneration and terms of service of the Board Executive Directors and other Senior Managers, and to be responsible for identifying and appointing candidates to fill vacant Executive Director positions on the Board. A new Hospitals Transformation Programme Assurance Committee was also established in May 2024.

The Audit & Risk Assurance Committee comprising of independent Non-Executive Directors, oversees the system of internal control and the overall assurance processes associated with managing risk throughout the organisation.

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

The role of the Board of Directors is to effectively govern the organisation, and in doing so, to deliver high quality care for the population it serves. The Board of Directors receives the Chairs' highlight reports and assurances from the Quality & Safety Assurance Committee relating to the management of all serious patient safety incidents, including Never Events, as well as receiving the monthly integrated performance report which includes performance on all quality and performance matters.

The Trust continues its journey of improvement with conditions remaining on its Provider Licence, imposed by both principal healthcare regulators. There have been improvements and innovation in some services, as highlighted through a number of external visits and independent reports. However, the Trust recognises that there are still areas that need more focus. But the foundations that have been built over the last three to four years have developed and established recognisable healthcare performance frameworks and tools which are typically used and embedded across other healthcare organisations. This means that newly recruited colleagues are now more able to recognise and assimilate these on joining the Trust, bringing the benefit of experience gained elsewhere and contributing to our improvement journey.

There has been a change in several Non-Executive and Executive director posts in recent years, leading to a restructure of executive portfolios and bringing in more experience and skills to the Board. In-year changes to the voting directors can be found within the *accountability report* section of the annual report.

The Board strengthened its governance arrangements during 2023-24 by appointing a Vice Chair of the Trust, Prof Trevor Purt, with effect from 1 November 2023. An Assistant Chief Executive position was also established and appointed to in March 2023.

Following the peak of the Covid-19 pandemic, the first face to face meeting of the Board of Directors for over two years was held in November 2022, with observing members of the public continuing to join via the live stream. The Board invited public observers to join its meetings in person from February 2024.

There are governance arrangements in place throughout the divisional triumvirate structures and divisional performance is overseen and monitored by the executive team. Key risks to delivery of services are identified through the monthly Performance Review Meetings with the executive team.

4. The risk and control framework

The Trust seeks to manage and mitigate risk as far as possible. However, it is understood that delivering healthcare carries inherent risks that cannot be completely eradicated but can be reduced through effective identification and risk mitigation where possible. The

process begins with the systematic identification of risks via structured risk assessments and incorporated within risk registers. All risks are assessed and scored using an approved scoring matrix which considers the potential likelihood, consequence, and overall severity of each risk. This results in each risk being awarded a score of between 1 (low) to 25 (extreme). The effectiveness of the existing control measures is assessed, and associated gaps and action plans agreed and monitored to ensure management of the risk.

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

Work has continued during 2023-24 to improve the Trust's risk management framework and functions following a review of this area and work which began in 2020-21. The Trust has used the Datix system to record risk since June 2022. This provides an integrated approach to the management of risk, enabling the triangulation of incidents and complaints.

It is planned to review the Trust's Risk Management Strategy in 2024 (last approved during June 2021) following further review of the Trust's risk appetite which began in April 2024 (previously reviewed by the Board in June 2023). The Risk Management Policy was refreshed and approved in March 2022 and will be further reviewed following approval of the Trust's risk appetite by the Board.

An improved quarterly Board Assurance Framework (BAF) document was introduced from quarter 1 in 2022-23 and has continued to develop throughout 2023-24 and to be actively considered by the Board, following prior consideration at its assurance committees. A new corporate governance risk was added to the BAF during quarter 1, 2023-24. In addition, the content of the safety culture risk (BAF risk 2) was completely refreshed during quarter 2 of 2023-24. Training has continued to be rolled out across the organisation to support the continued development of a robust risk management framework and the Trust's capability to consistently manage and mitigate risk.

A whole suite of risk management guidance, toolkits, education, and training materials was incorporated into the SATH Risk Management Framework during the previous financial

year, with a digitised learning programme that all colleagues can access, and which went live during 2023/24.

It remains the case that whilst a working BAF is in place, there is still further work to be carried out to ensure that it properly aligns with the Trust's corporate objectives/goals which are scheduled to be refreshed during 2024-25.

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

5. Major risks to the organisation

The Annual Governance Statement for 2022/23 identified a number of risks that were carried forward into 2023/24, some of which continue to remain current. A commentary for each of these risks is provided below.

a) Quality of care, including standards of performance and licence conditions

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

The Trust continues to focus on several areas of improvement including VTE, recognising the deteriorating patient, reducing the number of falls with harm, pressure ulcers, and healthcare acquired infections, in particular Clostridium Difficile. Another priority is the timely response to patient concerns and complaints and embedding the learning from these. The need for the Trust to maintain its continuous improvement journey is vital.

The CQC last inspected the Trust in October / November 2023, with the final report following this inspection, published in May 2024. Improvements were noted across some of our inspected core services, including children and young people, maternity, and, palliative and end of life care - which were all rated as 'good' across all core domains. The Trust moved from the previous rating of 'Inadequate' to 'Requires Improvement' overall, with the individual ratings for each domain being as follows: -

- Safe – Requires Improvement

- Effective – Requires Improvement
- Caring – Good
- Responsive – Requires Improvement
- Well-led – Requires Improvement
- Use of Resources – Requires Improvement

The CQC improvement plan is being refreshed to ensure robust actions are in place regarding the CQC "Must" and "Should" do actions from the report and these areas of focus will also be included in the improvement and transformation programmes. These improvement actions will continue to be reviewed monthly with the Divisions and progress is reported through the Trust Quality Operational Committee, the Quality and Safety Assurance Committee, as well as reporting progress to the CQC. The Board of Directors will receive its assurance through the Committee's Chair's report to the Board.

Considering the CQC final report and improvements made, the Trust has begun to review the outstanding five CQC Section 31 conditions which are in place against the Trust, with a view to applying for some of these to be removed.

The Trust has continued to hold formal quarterly engagement meetings with the CQC to discuss and highlight improvements made in core services provided by the Trust. An ongoing dialogue between the Trust and its local CQC regulators enables timely escalation of any issues, should this be required.

The ongoing implementation and robust reporting of progress and monitoring of improvements is coordinated and monitored by the Trust's "Getting to Good" improvement plan which sets out the programmes of work and underlying projects that encompass key deliverables which the Trust is progressing in order to improve quality of care for patients. This includes a focus on quality governance, maternity, elective recovery as well as culture, to support the required improvements.

There are also regular updates on progress to the Board with "Getting to Good" programme updates and external reporting to the quarterly System Review Meetings, which are attended by representatives from the national regulators, and key regional stakeholders.

The Trust continues to strengthen its Quality Governance Framework. The Patient Safety Incident Response Framework, which is part of the NHS Patient Safety Strategy, was implemented across the Trust in December 2023. Incidents and near misses continue to be discussed at the weekly Review Action and Learning from Incidents Group (RALIG) chaired by the Medical Director.

b) Access and waiting time performance.

Urgent and emergency care demand remained high throughout the year. A&E performance, including ambulance handover delays, continues to be a challenge. As a result, the Trust has been moved into Tier 1 monitoring by the regulator. The Trust ended the year at 60.02% (including MIU) achievement of the 4-hour A&E wait standard, with 36.1% of ambulance waits of 60 minutes or more.

Maintaining flow through our hospitals and the safe discharge of patients has been a consistent challenge, and this has been complicated further by several periods of industrial action, necessitating meticulous business continuity planning, and the continued use of significant surge plans and escalation areas in use throughout the year.

There has been significant improvement work undertaken within ED, acute medicine, and ward processes. Several Trust and systemwide initiatives were implemented throughout the year to progress improvement in this area, with a detailed flow improvement programme and the commencement of the Emergency Care Transformation Programme. There have also been improvements in the utilisation of the virtual ward (in collaboration with Shropshire Community Health NHS Trust), length of stay, the reduced number of patients in hospital over 21 days, and the steady reduction of the number of patients with 'No Criteria to Reside' (NCTR) in an acute hospital bed.

However, these improvements have not alleviated the pressures across the emergency and urgent care pathway sufficiently to meet the required performance standards. The CQC published in May 2024, also highlighted that significant improvements are required across the urgent and emergency care pathway to improve patient experience with a number of 'requires improvement' and 'inadequate' ratings across both hospital sites. We continue to face significant pressures, particularly within our Emergency Departments, and this is impacting

on the experience of our patients and the wellbeing of colleagues. Plans are in place for 24/25, working with system partners to improve waiting times and patient experience.
Lack of flow through the hospitals resulted in the loss of some of our elective activity and the associated ongoing challenges associated with the reduction of backlogs and improvement towards national standards.

Despite the challenges, we made sufficient progress in the validation of the RTT patient tracking list and wait time reduction during the year to move from NHS England tier 1 to tier 3 monitoring. At year-end we achieved the national target and reduced the number of patients waiting over 104 weeks, and over 78 weeks for treatment, to zero.

At year-end, we achieved national targets set for the 28-day Faster Diagnosis Standard (FDS), 62-day and 104-day backlog indicators, for cancer performance, which was a significant in-year improvement. As a result, the Trust was moved out of tier 1 monitoring into tier 2 (an improvement) in May 2024.

Information on our performance during the year can be found in more detail within the Performance Report section of the annual report.

c) Financial performance

The Trust set a deficit plan of £45.5m for 2023/24 which was converted into a breakeven plan by NHS England providing non-recurrent funding of £45.5m to match the deficit plan. At the time of finalising the plan for 2023/24, a number of significant risks were identified in relation to the continued use of escalation areas, the costs of temporary workforce, the scale of the efficiency programme and the cost of delivery of the activity plan.

Against the breakeven plan, the Trust recorded a full year deficit of £54.6m, a significant variance from plan. At the end of quarter three 2023/24, the Trust formally reported and agreed a revised forecast with NHSE, that reflected the risks that were being carried by the Trust. The full year deficit of £54.6m was in line with this revised forecast.

The underlying deficit for the Trust, i.e. (the financial position after the removal of one-off income and expenditure items) was £50.8m at the end of the year. The Trust continues to

track and monitor the underlying financial position, ensuring that the impact on the underlying financial position is considered when making decisions to commit expenditure.

The main drivers of the 2023/24 deficit were the use of additional escalation capacity to help prevent overcrowding in the emergency departments and to cope with the pressures on services, the use of temporary staffing in the escalation areas, cover for staff who were unavailable to work due to sick leave, study leave and parenting leave, and the cost of outsourcing activity to reduce waiting lists.

The cost of this escalation over the 2023/24 financial year was £28.6m (compared to plan of £11.4m. The 2023/24 plan was £10.6m less than 2022/23, where the total escalation cost was £22m) and, as such, is the largest driver of the deterioration in the Trust's financial position.

Whilst the Trust took a risk-based approach to planning for 2023/24, the extent to which the risk materialised was significant and the mitigation insufficient.

In planning for the new financial year, the Trust has agreed to a stretching financial plan with a planned reduction in expenditure of 5.2% compared to 2023/24. The Trust remains committed to the delivery of high-quality services reflecting the needs of the population and the importance of balancing the delivery of high-quality care, workforce demands, operational pressures, and financial resources.

There are several significant risks to the delivery of the 2024/25 plan. In particular, the need to significantly reduce reliance on escalation capacity, and the associated dependency on expensive temporary workforce.

The Trust is committed to strengthening partnership working across health and care, and several of the critical actions to improve the financial performance are dependent upon these collaborative arrangements.

A key objective for 2023/24 was to continue to strengthen budget holder engagement and education, and to harness this to deliver the increased efficiency requirement. As a result of this there has been significant improvements made during the year to reduce premium

workforce costs and the near elimination of off-framework nursing agency and HCA agency unrelated to the provision of escalation capacity. The agency budget for 2023/24 was £30.8m (£25.9m for ‘business as usual’ and £4.9m for escalation) but the Trust spent £40.7m (£21.1m for business as usual and £19.6m on escalation).

In 2022/23, the Trust spent the annual equivalent of £55.5m at the end of March 2023 (the ‘exit run rate’), with this reducing to £31.0m by the end of March 2024. Further reductions are expected in 2024/25 with the agency plan set at £15.1m, of which £9.7m is allocated as ‘business as usual’, and £5.4m allocated against escalation.

The Trust also delivered its largest capital programme of £77m during the financial year, which included £58.6m of nationally funded developments including the community diagnostic centre, the elective hub at Princess Royal Hospital and additional ward capacity at Royal Shrewsbury Hospital.

There was a focus on training and engagement of finance staff, following the achievement of Future Finance Focused level two accreditation. The Trust is continuing to work towards level three.

d) Regulatory Fire Issues - Regulatory Reform (Fire Safety) Order, 2005

The Trust was issued with two Fire Enforcement Notices (EN) on 28 November 2022, following which, the required actions were incorporated into the ward block fire safety improvement plan. Actions to address these Enforcement Notices have progressed during 2023-24, and EN254 was withdrawn on 06 July 2023 by Shropshire Fire & Rescue Service as they considered that the requirements of the enforcement notice had been complied with (80% level of fire safety training on the ward block achieved by 30 June 2023). These levels must be maintained to ensure ongoing fire safety compliance.

Regarding EN255 (focus on the physical environment), this Notice had a deadline of 31st March 2023. We have completed all the regulatory requirements in the Notice except for the physical intrusive works. These works are now contained in a project plan which runs through until 30th April 2025. This date has been accepted and approved in writing by Shropshire Fire

& Rescue Service following a meeting with the Director of Estates and the lead Fire Officer on the 14th of April 2023.

The Trust also received a Prohibition Notice Serial No. 285 on 14 November 2023 regarding restriction to use of the premises, due to serious risks with inadequate fire separation between specific construction areas and the means of escape from the premises, and inadequate fire warning. This prohibition notice was withdrawn on 22 November 2023 following a visit to the premises by the Fire Authority on 20 November 2023 and the relevant matters being addressed.

The Board has continued during 2023/24 to receive regular direct updates on the position with fire safety. During December 2023, the Board received the Annual Fire Safety Audit Report and in February 2024, an update on the Annual Fire Safety Audit Action Plan. Delivery of the action plan is overseen by the Fire Audit Action Plan Oversight Group which is chaired by the Director of Finance and meets monthly.

e) Update on implementing the recommendations of the independent review of maternity services

The Independent Review of Maternity Services at the Trust, chaired by Mrs Donna Ockenden, examined cases arising mainly between 2000 and 2019, involving 1,486 families and the review of 1,592 clinical incidents.

The first Ockenden report[1] was published in December 2020, and was followed by the final report[2], which was published in March 2022. These reports highlighted significant failings in maternity care at the Trust.

The Review found repeated failures in the quality of care and governance, as well as failures of external bodies to monitor the care provided effectively. These failures included there not

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[1] Ockenden Review (December 2020), Emerging Findings and Recommendations from the Independent Review of Maternity Services at Shrewsbury and Telford NHS Trust.

[2] Ockenden Review (March 2022), findings Conclusions and Essential Actions from the Independent Review of Maternity Services at Shrewsbury and Telford NHS Trust; Our Final Report

being enough suitably experienced staff, a lack of ongoing training, a lack of investigation and governance at the Trust, and a culture of not involving or listening to the families involved.

The Chief Executive gave an unreserved apology to the women and families affected by the review, along with the commitment to implement all the actions arising from the Review, which was later reiterated by the Board of Directors on 15 April 2022.

We owe it to those families we failed, and to those we care for today and in the future, to continue to make improvements, so that we are delivering the best possible care for the communities that we serve.

The combined reports included 210 actions; 93 'Local Actions for Learning' to be implemented solely by the Trust, and 117 'Immediate and Essential Actions' for implementation of all providers of maternity care in England.

Based on a rigorous assurance validation process, progress with delivering the actions on 12 March 2024, is, as follows (rounded percentages):

- 178/210 (85%) have been delivered fully, and evidenced and assured as working as they should be.
- 10/210 (5%) actions are on track to be delivered within their expected timeframes.
- 12/210 (6%) actions are at risk, comprising:
- 11 actions that require substantive funding, which are the subject of a business case that is being considered currently;
- One action is delayed due to progressing all labour ward co-ordinators through a new nationally recognised education module, but it is anticipated this will be delivered later during 2024. (The coordinators have undertaken the Trust programme which is the basis of the national programme, therefore, any risks are minimal.)
- 10/210 (5%) actions are de-scoped. This means they are outside of the Trust's control to deliver, and they are dependent upon the actions of third parties, such as NHS England or the Care Quality Commission. These continue to be reviewed with the respective agencies.

The Ockenden Report Assurance Committee (ORAC), an assurance committee of the Board of Directors, held its first meeting in March 2021, and completed its work in April 2024,

whereupon it was agreed that the Maternity Transformation Assurance Committee (MTAC) will undertake the on-going review of action delivery and sustainability. MTAC meets monthly and is chaired by the director of nursing. MTAC will continue to report on progress to the Quality, Safety and Assurance Committee (QSAC), which is a committee of the Board of Directors.

A new Integrated Maternity Report is now in place and will continue to report on progress against actions from the Independent Maternity Review to the Board of Directors each time it meets in public. In addition, this report consolidates relevant maternity matters into one report, and includes progress in relation to The Clinical Negligence Scheme for Trusts (CNST, which manages all clinical negligence claims against member NHS bodies), and the Three-Year delivery Plan for maternity services.

By 1 February 2024, the Trust had declared compliance with year five of the Clinical Negligence Scheme for Trusts safety actions, and delivered fully on all elements of the Saving Babies Lives Care Bundle (version Three) by the end of March 2024.

The CQC maternity survey 2023 results were generally positive for the Trust and its service users. There are some areas of improvement required, and the Trust is working alongside the Maternity and Neonatal Voices Partnership to address these.

The achievement of all these safety initiatives will assist the Trust to mitigate the maternity risks highlighted within this Annual Governance Statement and Annual Report. Also, notwithstanding the improvements made, there is still further work to do to continue to improve, engage effectively with service users and families, and assure the care and services we deliver to women and families.

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

6. Statement of Emergency Preparedness Resilience and Response (EPRR) Performance

In line with the requirements as a Category 1 Responder under the Civil Contingencies Act (2004), and the responsibilities set out in the Health and Care Act (2022), NHS Act (2006) and the NHSE Core Standards for emergency preparedness, resilience and response guidance, the Shrewsbury and Telford Hospitals NHS Trust needs to be able to plan for and respond to a range of incidents and emergencies, using a risk-based approach.

The Trust must have an Accountable Emergency Officer (AEO) who is a board level director and responsible for EPRR in their organisation, this responsibility has been assigned to the Chief Operating Officer, who is supported by a non-executive board member.

The Trust continues to comply with its statutory commitment to Emergency Preparedness Resilience and Response and this commitment can be quantified following completion of the annual NHS EPRR Core Standards Assurance process whereby the trust self-assesses itself against 62 criteria, this is subsequently followed up with a *confirm and challenge* process alongside NHS England and the Integrated Care Board. In 2023, the Trust was assessed as fully compliant with 29 of the Core Standards and Partially Compliant with 33 of the Core Standards. The Trust submitted a large amount of evidence in support of the submission on 31 August 2023 which was rigorously scrutinised by NHS England and following the *confirm and challenge* process, was assessed as “Non-Compliant”. The Trust has identified several areas for improvement as a result of the learning from the new process, and the Emergency Planning Team have developed a detailed work programme to support its 2024 submission.

The focus for 2023/24 has been to ensure that all necessary EPRR response plans were reviewed, updated and re-established in line with national guidance best practice. The Trust regularly facilitates and participates in EPRR activities on a local and regional footprint, including testing and exercising of our plans and procedures whilst maintaining a robust training and debriefing to ensure all lessons learned are captured and inform improvements to our processes.

7. NHS Provider Licence section 4 (governance)

The NHS Provider Licence is the main tool for regulating providers of NHS services. Several additional undertakings applied during 2021-22 to the Trust by NHSI/E, increased the number of requirements with which to comply.

Oversight of all NHS trusts, NHS foundation trusts and Integrated Care Boards is undertaken by NHS England using the *NHS Oversight Framework*. Following the publication of the new *Code of Governance for NHS Providers* which applied to all NHS Trusts from 1 April 2023, the Trust adheres to the Code on a 'comply or explain' basis.

The Board has undertaken a review of its Standing Orders, Scheme of Reservation and Delegation and Standing Financial Instructions during the year, along with reviewing the terms of reference of its committees. With reference to the requirements of the Trust's Standing Orders and Standing Financial Instructions, no gaps in legal compliance have been identified during the year.

8. Fit and Proper Person Framework and Board effectiveness

During August 2023, NHS England published their new Fit and Proper Person Test (FPPT) Framework (the Framework), following the recommendations received from the 2019 Kark Review. The Framework sits in the wider context of good governance, leadership and board development and it intends to strengthen individual accountability for board members, thus enhancing the quality of leadership within the NHS. All voting and non-voting executive and non-executive board members of the Trust are subject to the new framework. Overall accountability for adherence to the framework, remains with the Trust Chair, whilst the Company Secretary is responsible for carrying out the actions set out in the Framework which has been rolled out during 2023-24, including the refresh of the Trust's Fit & Proper Person Policy.

The Board intends to undertake an external independent Well Led review at an agreed time interval following receipt of the CQC Well Led report.

9. Committees of the Board

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

- The Board of Directors is responsible for establishing principal strategic and corporate objectives and for driving the organisation forward to achieve these. It is also responsible for ensuring that effective systems are in place to identify and manage the risks associated with

the achievement of these objectives through the Board Assurance Framework and the Corporate Risk Register.

- The Audit and Risk Assurance Committee (ARAC), on behalf of the Board, reviews the establishment and maintenance of an effective system of internal control and risk management across the whole of the Trust's activities (both clinical and non-clinical) that supports the achievement of the Trust's objectives and also ensures effective internal and external audit.

- The Quality and Safety Assurance Committee (QSAC) is set up to provide assurance to the Board and the Audit and Risk Assurance Committee that there are adequate controls in place to monitor the care given to patients using the services provided by the Trust, and to ensure that their experience of our services and outcomes are as expected.

- The Finance and Performance Assurance Committee (FPAC) is responsible for scrutinising aspects of financial performance, as well as conducting scrutiny of major business cases and proposed investment decisions.

- The Ockenden Report Assurance Committee (a time limited committee) was established to provide assurance to the Board on progress against the Report's recommendations and, in response, the Trust's actions. The last meeting of this committee was held in April 2024, although the Board continue to receive assurance with progress on a regular basis through the QSAC's Chair's report.

- The Board formally established a People & Organisation Development Assurance Committee in 2023 to receive assurances that staffing processes are safe, sustainable, and effective and that the NHS People Promises are being delivered. The terms of reference for this committee were initially approved by the Board in April 2023 and then updated and approved again in October 2023.

Risk assessment is a key feature of all 'business-as-usual' management processes. All areas of the Trust have an ongoing programme of risk assessment which inform local risk registers. Operational risks are identified and evaluated using a five-by-five risk matrix, which feeds into

the risk appraisal process. The risk registers are reviewed regularly through governance structures at both operational and corporate level, dependent on the severity of each risk. Each risk and related action have an identified owner who is responsible for risk monitoring, reporting and for implementing actions to mitigate the risk within a specified period.

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

The Board Assurance Framework (BAF) is the mechanism which is used to identify and monitor the Trust's strategic objectives/goals and manage the associated risks that may compromise their achievement. The BAF is reviewed on a quarterly basis by the Executive Directors and is formally reviewed quarterly by board assurance committees and the Board of Directors.

Operational and other corporate risks categorised as 'extreme' risks, are also reviewed by the Audit and Risk Assurance Committee as part of its regular monitoring of risk management. To aid this, the Trust's Corporate Risk Register was introduced during the year and considered by Board in December 2023.

10. Workforce, general compliance matters and equality

There has been significant work to close gaps in our workforce this year, supporting service delivery. We have several mechanisms in place which allow us to monitor staffing levels to provide safe and effective care. Information about staffing levels is published monthly on our Trust external website, and we publish links to the Nursing & Midwifery Staffing papers discussed in public at our Board meetings. The Trust also undertakes a nursing and midwifery establishment review every six months, which is reported to the Board of Directors. The Guardian of Safe Working regularly reports Junior Doctor compliance to safe working hours and formally notifies the Board of Directors of any exception reports.

We continue to explore and develop new roles, including widening our offer of Apprenticeships across the organisation, which will support care delivery. We currently have several new roles and programmes in place including Nursing Associates, Operating Department Practitioners, Nurse Apprentices, Physician Associated and Advanced Clinical Practitioners. We have also undertaken several system collaboration projects including international recruitment for nursing.

The Board receives monthly workforce data via the Integrated Performance Report reported to the Board. In addition, the Board receives six-monthly updates specifically on nurse staffing. In accordance with the recommendations of 'Developing Workforce Safeguards' the Trust uses a triangulated approach to maintaining assurance around workforce strategies and safe staffing systems.

The Shrewsbury and Telford Hospital NHS Trust is required to register with the Care Quality Commission (CQC). The Trust is not fully compliant with the registration requirements of the CQC and the current conditions which have been imposed are described earlier in this statement within its major risks.

In accordance with the requirements of 'Managing Conflicts of Interests in the NHS' guidance (June 2017), the Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past twelve months.

The Trust made the process of declaring interests easier for staff from 02 May 2023 via the use of the Electronic Staff Record (ESR). Compliance with declarations of interest made by those classed as decision makers has improved throughout the year via the use of ESR, along with enhanced reporting and monitoring. By 31 March 2024, the Trust had achieved 80% compliance with declarations within ESR by those classed as 'decision makers', in line with the requirements of the Counter Fraud Authority Standard.

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

that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Control measures are in place to provide assurance that all obligations under equality, diversity and human rights legislation are complied with. Monitoring provides data which informs plans and strategies to achieve an inclusive workplace and make improvements to the working environment for all staff. The outcomes are reported to the Board annually, and the Equality, Diversity and Inclusion Action Plan is updated as appropriate. The Gender Pay report is also published annually showing the difference between the average earnings of men and women. It can also help us to assess the levels of equality in the workplace, female and male participation, and how effectively talent is being managed and maximised.

The Equality Duty requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations in the course of developing policies and delivering services. Equality analysis is completed on all policies, procedures, strategies and service developments. The Equality Delivery System is designed to specifically support service delivery that is fair, providing equality of access to employment and delivery that meets the needs of a diverse population.

The Trust has an Equality, Diversity and Inclusion (EDI) Group which includes representation from the community, meets bi-monthly and reports to the Operational People Group. The Trust has the following established networks which report into the EDI Group:

- LGBTQIA+ (Sath Pride)
- Disability, Ability Wellbeing Network (DAWN)
- Race Equality and Inclusion Network
- Multi-Faith and Belief Network.

The Trust is fully committed to the significant improvement required to create a fully inclusive, supportive environment free from discrimination for staff and for patients.

The 2023 Staff Survey results show that the percentage of staff experiencing discrimination from patients/service users, their relatives or other members of the public has decreased from

2022. Similarly, the results show that the percentage of staff experiencing discrimination from a manager/team leader, or other colleagues has decreased since 2021 and is below the average score for our sector.

The trust has undertaken risk assessments on the effects of climate change and severe weather and has developed a Green Plan following the guidance of the Greener NHS programme. The trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

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

The Finance and Performance Assurance Committee meets monthly and has a key role in review of operational matters, investment decisions, and monthly financial performance, providing assurance to the Board of Directors.

In 2023/24, the Audit and Risk Assurance Committee focused on the effectiveness of controls in relation to a number of areas which were the focus of internal audit reviews (as detailed later within this report). The Committee also played a crucial role in overseeing the integrity of financial reporting, and the independence and performance of the external auditors.

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

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

Any report which offers *Limited* assurance results in the development of a management action plan with an agreed timescale for improvement, and progress is monitored by the Audit and Risk Assurance Committee. Serious issues are escalated to the Board of Directors.

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

12. Information Governance

The Trust has an established process for managing the Information Governance agenda, led by the Director of Governance (Trust Senior Information Risk Owner), the Medical Director as Caldicott Guardian, and supported by a Data Protection Officer, who is also the Head of Information Governance.

The Trust uses NHSE's Data Security and Protection Toolkit (DSPT) to measure performance, and improvements over the previous year have been noted, although the Trust continues to work through its agreed improvement plan with NHSE. The Trust aims to submit its 2023/24 submission by the end of June 2024.

The Information Governance Committee's purpose is to support and drive the broader information governance agenda and to provide the Board of Directors with the assurance that effective information governance best practice mechanisms are in place within the organisation. It is responsible for monitoring and controlling risks relating to data security and to sign off the Data Security and Protection Toolkit (DSPT) submissions.

The Trust reported one incident to the Information Commissioners Office between 1st April 2023 to 31st March 2024 relating to individual behaviours and potential confidentiality breaches. At the time of writing, the ICO has not acted against the Trust relating to the reportable incident.

The Trust manages threats to cyber security on an ongoing basis. Frequent reports of progress in implementing recommendations regarding nationally circulated cyber security

threat information is issued by NHSE to a few senior leaders in the organisation, with a role to oversee the oversight of cyber threats and management of cyber risks to the organisation. An annual 'Penetration Test' is undertaken by an external party, which provides assurance and recommendations for improvement as to any vulnerabilities appearing within the Trust's systems.

13. Data Quality and governance

Data quality remains a key focus for the Trust. A Patient Data Quality Group has recently been established to provide the strategic direction for data quality and oversee and gain assurance on the quality of the data within the Trust's Patient Administration System and any other system which directly affects key standards (e.g., A&E, maternity), patient safety or financial sustainability.

Ensuring the quality and accuracy of our elective pathway and waiting list data has been an essential aspect of our recovery agenda at the Trust. This will be further facilitated by the Patient Data Quality Group in 2024/25 as our key area of focus in ensuring that processes are appropriately implemented to ensure key patient data is fit for purpose, quality-assured and valid.

A data quality dashboard is also in development which will incorporate data completeness metrics within the Data Quality Maturity Index but also to look beyond the data completeness and focus on any data quality issues underneath that data. This is what our Data Quality Workgroup will aim to deliver against, which will involve a detailed workplan at divisional level.

The integrated performance report is shared with the Board monthly. The document continues to be developed in response to the requirements of the organisation. The Board of Directors remain assured that there are effective processes and controls in place to ensure the accuracy of data at the end of the reporting year ending 31 March 2024.

14. Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within The Shrewsbury and Telford Hospital NHS Trust who have responsibility

for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board of Directors, the Audit and Risk Assurance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

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

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

The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Board Assurance Framework and on the controls reviewed as part of the internal audit work. The Head of Internal Audit opinion for 2023-24 gave an overall Substantial Assurance opinion on the system of internal control in place during the year:

"The overall opinion for the period 1st April 2023 to 31st March 2024 provides Substantial Assurance that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently."

Issues relating to the formulation of the opinion included work conducted through the risk based internal audit plan for 2023/24, as can be seen in the following table:

Opinion provided	Title of core and risk-based review
1 **high** assurance opinion:	Waiting List Management
8 **substantial** assurance opinions:	Infection Control Duty of Candour Mortality Governance Estates/Procurement Staff Health & Wellbeing Pressure Ulcers Financial Systems Data Protection and Security Toolkit - Toolkit and Self-Assessment
1 **moderate** assurance opinion:	Data Protection and Security Toolkit – National Data Self-Assessment
1 **limited** assurance opinion:	Quality Spot Checks
Nil **no** assurance opinions	N/A
2 reviews without an assurance rating	Risk Management Core Controls Assurance Framework Opinion.

A report was produced at the conclusion of each audit assignment and, where scope for improvement was found, recommendations were made, and appropriate action plans agreed with management. 29 recommendations were raised during the year relating to the risk-based audits, all of which were accepted by management. None of the recommendations

were critical, but three were high risk recommendations relating to the Quality Spot Check review.

My review as Accountable Officer is also informed by:

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

15. Conclusion

As the Accountable Officer, I am reporting that there are **no significant internal control issues** that have been identified for 2023/24 year.

However, as highlighted above, there are several significant risks which may affect delivery of the Trust's objectives, which are reflective of the CQC's 'requires improvement' rating for the Trust, and the provision of NHS England's oversight through their Recovery Support Programme.

Formal action plans have been agreed to address the risks in all areas where these have been identified. Implementation of the recommendations are being tracked and reported to the Board of Directors, and regulators, on a continuing basis.

The system of internal control has been in place at the Trust for the year ended 31 March 2024 and up to the date of approval of the Annual Report and Accounts.

Accountable Officer:	**Louise Barnett**
Organisation:	**The Shrewsbury and Telford Hospital NHS Trust**

Louise Barnett
Chief Executive

14th June 2024

Statement of Chief Executive's responsibilities as the accountable officer of the Trust

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

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

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

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

Louise Barnett
Chief Executive Officer
14th June 2024

Statement of directors' responsibilities in respect of the accounts

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

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

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

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

By order of the Board;

Louise Barnett
Chief Executive Officer

Helen Troalen
Director of Finance

14th June 2024

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF THE SHREWSBURY AND TELFORD HOSPITAL NHS TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of The Shrewsbury and Telford Hospital NHS Trust ("the Trust") for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers Equity and the Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2024 and of its income and expenditure for the financial year then ended;
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State for Health and Social Care with the consent of HM Treasury on 23 June 2022 as being relevant to NHS Trusts in England and included in the Department of Health and Social Care Group Accounting Manual 2023/24; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006 (as amended).

Basis for opinion

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

Going concern

The 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 directors' 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 directors' 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 directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the 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 Assurance Committee and internal audit and inspection of policy documentation as to the Trust's high-level policies and procedures to prevent and detect fraud including the internal audit 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 as a result of the need to achieve financial performance targets delegated to the Trust by NHS England.
- Reading Board and Audit and Risk Assurance Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, and taking into account possible pressures to meet delegated targets, we performed procedures to address the risk of management override of controls in particular the risk that Trust management may be in a position to make inappropriate accounting entries. On this audit we did not identify a fraud risk related to revenue recognition due to the block nature of the funding provided to the Trust during the year, and the simple recognition criteria and low individual value of other income streams. We therefore assessed that there was limited opportunity for the Trust to manipulate the income that was reported.

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 non-pay expenditure (excluding depreciation), particularly in relation to completeness of year-end accruals. This fraud risk is in response to pressure to manipulate expenditure in order to report that the planned financial position has been met.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unexpected account combinations with revenue, expenditure, borrowings and cash.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Inspecting cash payments and expenditure transactions in the period following 31 March 2024 to verify expenditure had been recognised in the correct accounting period.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

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

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

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

The Trust is subject to laws and regulations that directly affect the financial statements including 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.

As outlined in the section of this report dealing with other legal and regulatory matters, we made referral to the Secretary of State under Section 30 of the Local Audit and Accountability Act 2014 on 7 May 2024, relating to the Trust's failure to comply with its "breakeven duty" set out in paragraph 2(1) of Schedule 5 to the National Health Service Act 2006.

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

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

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

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

Other information in the Annual Report

The 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 Department of Health and Social Care Group Accounting Manual 2023/24. We have nothing to report in this respect.

Remuneration and Staff Reports

In our opinion the parts of the Remuneration and Staff Reports subject to audit have been properly prepared in all material respects, in accordance with the Department of Health and Social Care Group Accounting Manual 2023/24.

Directors' and Accountable Officer's responsibilities

As explained more fully in the statement set out on page 133, the directors are responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of 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. As explained more fully in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, on page 132 the Accountable Officer is responsible for ensuring that annual statutory accounts are prepared in a format directed by the Secretary of State.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our 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 in the statement set out on page 132, the Chief Executive, as the Accountable Officer, is responsible for ensuring that value for money is achieved from the resources available to the Trust. We are required under section 21(2A) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

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

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice to report to you if we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

On 7 May 2024 we made a section 30 referral to the Secretary of State, and notified NHS England of the matter, in respect of the Trust's breach of its "breakeven duty" set out in paragraph 2(1) of Schedule 5 to the National Health Service Act 2006. The Trust had previously breached its five-year breakeven duty and reported an in-year deficit of £54.582 million in 2023/24, resulting in a cumulative deficit of £232.645 million at 31 March 2024.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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

Andrew Cardoza
for and on behalf of KPMG LLP
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

28 June 2024

Annual Accounts for the year ending 31 March 2024

The Shrewsbury And Telford Hospital NHS Trust

Annual accounts for the year ended 31 March 2024

Statement of Comprehensive Income

	Note	2023/24	2022/23
		£000	£000
Operating income from patient care activities	3	585,825	523,227
Other operating income	4	38,497	33,378
Operating expenses	7, 9	(671,315)	(596,087)
Operating deficit from continuing operations		**(46,993)**	**(39,482)**
Finance income	11	1,878	604
Finance expenses	12	(214)	(212)
PDC dividends payable		(10,855)	(7,876)
Net finance costs		**(9,191)**	**(7,485)**
Other gains / (losses)	13	(639)	(479)
Gains / (losses) arising from transfers by absorption	44	1,680	-
Deficit for the year from continuing operations		**(55,143)**	**(47,445)**
Deficit for the year		**(55,143)**	**(47,445)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8	(2,281)	(1,204)
Revaluations	18	4,152	8,731
Other recognised gains and losses		(1,662)	-
Total comprehensive income / (expense) for the period		**(54,934)**	**(39,918)**
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		(55,143)	(47,445)
Remove net impairments not scoring to the Departmental expenditure limit		3,760	(289)
Remove (gains) / losses on transfers by absorption		(1,680)	-
Remove I&E impact of capital grants and donations		(1,534)	574
Remove net impact of inventories received from DHSC group bodies for COVID response		15	(45)
Adjusted financial performance surplus / (deficit)		**(54,582)**	**(47,206)**

Statement of Financial Position

	Note	31 March 2024 £000	31 March 2023 £000
Non-current assets			
Intangible assets	15	21,996	21,067
Property, plant and equipment	16	358,881	302,140
Right of use assets	19	19,085	21,262
Receivables	25	1,847	2,002
Total non-current assets		**401,809**	**346,472**
Current assets			
Inventories	24	9,911	9,774
Receivables	25	11,142	23,507
Cash and cash equivalents	29	54,680	3,301
Total current assets		**75,733**	**36,582**
Current liabilities			
Trade and other payables	30	(68,600)	(86,267)
Borrowings	32	(3,795)	(3,651)
Provisions	34	(295)	(347)
Other liabilities	31	(1,405)	(297)
Total current liabilities		**(74,095)**	**(90,562)**
Total assets less current liabilities		**403,447**	**292,492**
Non-current liabilities			
Borrowings	32	(15,128)	(17,969)
Provisions	34	(679)	(828)
Total non-current liabilities		**(15,807)**	**(18,797)**
Total assets employed		**387,640**	**273,694**
Financed by			
Public dividend capital		584,087	415,207
Revaluation reserve		83,436	81,423
Income and expenditure reserve		(279,883)	(222,936)
Total taxpayers' equity		**387,640**	**273,694**

The notes on pages 146 to 198 form part of these accounts.

Signed by Louise Barnett
Chief Executive Officer
14th June 2024

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

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2023 - brought forward	**415,207**	**81,423**	**(222,936)**	**273,694**
Surplus/(deficit) for the year	-	-	(55,143)	**(55,143)**
Other transfers between reserves	-	142	(142)	**-**
Impairments	-	(2,281)	-	**(2,281)**
Revaluations	-	4,152	-	**4,152**
Other recognised gains and losses	-	-	(1,662)	**(1,662)**
Public dividend capital received	168,880	-	-	**168,880**
Taxpayers' and others' equity at 31 March 2024	**584,087**	**83,436**	**(279,883)**	**387,640**

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	**344,753**	**73,896**	**(175,491)**	**243,158**
Surplus/(deficit) for the year	-	-	(47,445)	**(47,445)**
Impairments	-	(1,204)	-	**(1,204)**
Revaluations	-	8,731	-	**8,731**
Public dividend capital received	70,454	-	-	**70,454**
Taxpayers' and others' equity at 31 March 2023	**415,207**	**81,423**	**(222,936)**	**273,694**

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.

Financial assets reserve
This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

Merger reserve
This legacy reserve reflects balances formed on previous mergers of NHS bodies.

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

Statement of Cash Flows

	Note	2023/24 £000	2022/23 £000
Cash flows from operating activities			
Operating surplus / (deficit)		(46,993)	(39,482)
Non-cash income and expense:			
Depreciation and amortisation	7.1	23,833	21,294
Net impairments	8	3,760	(289)
Income recognised in respect of capital donations	4	(2,548)	(403)
(Increase) / decrease in receivables and other assets		12,263	(13,923)
(Increase) / decrease in inventories		(137)	(735)
Increase / (decrease) in payables and other liabilities		(16,708)	6,164
Increase / (decrease) in provisions		(221)	(97)
Net cash flows from / (used in) operating activities		**(26,751)**	**(27,471)**
Cash flows from investing activities			
Interest received		1,878	604
Purchase of intangible assets		(7,555)	(4,165)
Purchase of PPE and investment property		(70,765)	(42,303)
Sales of PPE and investment property		-	925
Receipt of cash donations to purchase assets		561	403
Net cash flows from / (used in) investing activities		**(75,881)**	**(44,537)**
Cash flows from financing activities			
Public dividend capital received		168,880	70,454
Capital element of finance lease rental payments		(4,257)	(3,067)
Other interest		-	(1)
Interest paid on finance lease liabilities		(194)	(192)
PDC dividend (paid) / refunded		(10,418)	(7,774)
Net cash flows from / (used in) financing activities		**154,011**	**59,420**
Increase / (decrease) in cash and cash equivalents		**51,379**	**(12,588)**
Cash and cash equivalents at 1 April - brought forward		**3,301**	**15,889**
Cash and cash equivalents at 31 March	29.1	**54,680**	**3,301**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2023/24 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

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

Note 1.2 Going concern

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

The Board has carefully considered the principle of 'Going Concern' in the context of the Trust continuing to operate under the HM Treasury's Financial Reporting Guidelines (FReM). For the year ending 31 March 2024, the Trust is reporting a deficit of £54.582m on an adjusted financial performance basis, against a breakeven plan.

In 2023/24, the Trust's income has been driven through an allocative process, consisting of block payments with specific adjustments for agreed growth and prices, ongoing Covid expenditure, and funding achieved through the Elective Recovery Fund (ERF) to incentivise restoration of elective services. There has also been a convergence adjustment applied to bring the Trust back towards a fair-share allocation. As the Shropshire, Telford & Wrekin Integrated Care System (ICS) is currently consuming more than its fair share (on a population basis), the convergence factor applied is higher. Contracts were constructed on an Intelligent Fixed Payment (IFP) basis within the ICS. This is an approach based on collaboration, concentrating on the cost of providing healthcare across the system in order to bring the health system back to clinical, operational and financial balance. Other contracts were constructed on a typical cost and volume contract or an aligned incentive payment approach.

The Trust maintains a cash balance of £54.680m at the end of 2023/24 (March 2023: £3.301m). The increase is due to additional NHSE funding of £45.5m passed to the Trust in March.

Every ICS/STP received a 2023/24 capital spending envelope derived from the system-level allocation, with The Shrewsbury and Telford Hospital NHS Trust receiving a total system envelope of £18.429m in 2023/24 (£19.822m in 2022/23).

The NHS funding allocation for contracts over £0.5m pa in England, uses the aligned payment and incentive approach (API), (with the exception of devolved organisations which operate under a cost and volume mechanism). The API approach consists of a fixed element for non-elective care, funding an agreed level of activity, and elective care is reimbursed on a variable basis based on actual activity delivered. Tariffs have been uplifted for inflation and adjusted for efficiency and convergence factor. Covid funding has also been included within baseline tariffs and therefore will no longer be funded separately. Welsh contracts account for 6% of the Trust's income. The Elective Recovery Fund (ERF) remains in place to support restoration of elective activity. Low-Volume Activity (LVA) contracts, worth under £0.5m pa, will be paid on a block basis.

The Board of Directors have concluded that whilst the financial position for 2024/25 is very challenging, based upon enquiries with NHSE and the Department of Health and Social Care, they have a reasonable expectation that the Trust will have access to adequate resources (as in previous years) to continue in operational existence for at least 12 months from the date of approval of the financial statements and continue to provide services to its patients. Based on this expected continuation of services, the Trust continues to adopt the going concern basis in preparing the financial statements.

Note 1.3 Interests in other entities

NHS Charitable Fund
The Trust is the Corporate Trustee to the Shrewsbury and Telford Hospital NHS Trust Charity. The Trust has assessed its relationship to the charitable fund and determined it not to be a subsidiary because the Trust is not exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

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

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 NHS income is earned from NHS commissioners under the NHS Payment Scheme (NHSPS) which replaced the National Tariff Payment System on 1 April 2023. The NHSPS sets out rules to establish the amount payable to trusts for NHS-funded secondary healthcare.

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

In 2023/24 fixed payments were set at a level assuming the achievement of elective activity targets within aligned payment and incentive contracts.

Whilst API contracts form the main contracting and payment mechanism under NHSPS, in 2023/24 the Trust operated under a transitional agreement with its main commissioner (STW ICB) whereby all activity fell within a fixed element to avoid destabilisation across organisations within the ICS. All Welsh contracts operate under a traditional cost and volume approach.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner and accounted for as variable consideration under IFRS 15. Payment for CQUIN and BPT on non-elective services is included in the fixed element of API contracts with adjustments for actual achievement being made at the end of the year. BPT earned on elective activity is included in the variable element of API contracts and paid in line with actual activity performed.

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

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

Revenue from research contracts

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

NHS injury cost recovery scheme

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

Note 1.5 Other forms of income

Grants and donations

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

Apprenticeship service income

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

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

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

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

Note 1.7 Expenditure on other goods and services

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

Note 1.8 Discontinued operations

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

Note 1.9 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

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

Subsequent expenditure

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

Measurement

Valuation

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

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

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

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

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

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

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

Depreciation

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

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

Revaluation gains and losses

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

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

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

Impairments

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

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

De-recognition

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

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

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

Donated and grant funded assets

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

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

Useful lives of property, plant and equipment

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	4	72
Dwellings	13	46
Plant & machinery	1	27
Transport equipment	10	10
Information technology	3	10
Furniture & fittings	5	23

Note 1.10 Intangible assets

Recognition

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

Internally generated intangible assets

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

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

Software

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

Measurement

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

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

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

Amortisation

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

Useful lives of intangible assets

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

	Min life Years	Max life Years
Information technology	5	12
Development expenditure	-	-
Websites	-	-
Software licences	3	10
Licences & trademarks	-	-
Patents	-	-
Other (purchased)	-	-
Goodwill	-	-

Note 1.11 Inventories

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

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

Note 1.12 Investment properties

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

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

Note 1.13 Cash and cash equivalents

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

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

Note 1.14 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

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

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

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

Financial assets and financial liabilities at amortised cost

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

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

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

Financial assets measured at fair value through other comprehensive income

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

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

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

Impairment of financial assets

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

The Trust adopts 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.

Derecognition

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

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

Note 1.15 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

The Trust as a lessee

Recognition and initial measurement

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 3.51% applied to new leases commencing in 2023 and 4.72% to new leases commencing in 2024.

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

The Trust as a lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

Finance leases

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

Operating leases

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

Initial application of IFRS 16 in 2022/23

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury was applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaced *IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations.

The standard was applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 were only applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments were not revisited.

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid lease payments. Hindsight was used in determining the lease term where lease arrangements contained options for extension or earlier termination.

No adjustments were made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets had a value below £5,000. No adjustments were made in respect of leases previously classified as finance leases.

The Trust as lessor

Leases of owned assets where the Trust was lessor were unaffected by initial application of IFRS 16.

Note 1.16 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2024:

		Nominal rate	**Prior year rate**
Short-term	Up to 5 years	4.26%	3.27%
Medium-term	After 5 years up to 10 years	4.03%	3.20%
Long-term	After 10 years up to 40 years	4.72%	3.51%
Very long-term	Exceeding 40 years	4.40%	3.00%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2024:

	Inflation rate	**Prior year rate**
Year 1	3.60%	7.40%
Year 2	1.80%	0.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's post-employment benefits discount rate of 2.45% in real terms (prior year: minus 1.70%).

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at Note 34.2 but is not recognised in the Trust’s accounts.

Non-clinical risk pooling

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

Note 1.17 Contingencies

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

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

Contingent liabilities are defined as:

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

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

Note 1.18 Public dividend capital

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

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

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

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

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

Note 1.19 Value added tax

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

Note 1.20 Corporation tax

The Trust is not required to pay corporation tax as it is an NHS trust and has no trading company.

Note 1.21 Climate change levy

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

Note 1.22 Foreign exchange

The functional and presentational currency of the trust is sterling.

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

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

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

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

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

Note 1.23 Third party assets

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

Note 1.24 Losses and special payments

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

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

Note 1.25 Gifts

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

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

For property, plant and equipment assets and intangible assets, the cost and accumulated depreciation / amortisation balances from the transferring entity's accounts are preserved on recognition in the trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

Note 1.27 Early adoption of standards, amendments and interpretations

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

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

IFRS 17 Insurance Contracts - the effective date for IFRS 17 is now 1 April 2025 for NHS bodies.

Note 1.29 Critical judgements in applying accounting policies

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

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

Note 1.30 Sources of estimation uncertainty

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

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

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

Pensions: The NHS Pensions Scheme provides cover for past and present employees, and is subject to a full valuation every five years (see note 10). The Trust carries provisions in certain instances relating to early retirement, based on latest actuarial information provided by the NHS Pensions Agency. This is therefore subject to change which is recognised in the period to which it arises.

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

Revaluation: The Trust commissioned Cushman and Wakefield ('C&W') to undertake an interim valuation of the Trust's estate as at 31 March 2024. Specialised buildings are valued at Depreciated Replacement Cost defined as Modern Equivalent Asset.

Valuation of property, plant and equipment is based upon an assessment undertaken by professional property valuers which by its nature includes an element of subjectivity. 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. There are a number of factors that can affect the valuation, but those most sensitive and most easily measured, are location factors and BCIS TPI. The table below gives an indication of the impact a change can have on the valuation.

Factor	Increase in valuation
Location factor (10% increase)	10%
BCIS TPI (5% increase)	5%

Note 2 Operating Segments

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

Note 3 Operating income from patient care activities

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

Note 3.1 Income from patient care activities (by nature)	**2023/24**	**2022/23**
	£000	**£000**
Acute services		
Income from commissioners under API contracts - variable element*	109,856	-
Income from commissioners under API contracts - fixed element*	393,785	422,479
High cost drugs income from commissioners	26,900	24,870
Other NHS clinical income	1,419	1,489
All services		
Private patient income	1,034	1,273
Elective recovery fund	-	13,381
National pay award central funding***	234	12,168
Additional pension contribution central funding**	16,033	13,982
Other clinical income	36,564	33,585
Total income from activities	**585,825**	**523,227**

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

https://www.england.nhs.uk/pay-syst/nhs-payment-scheme/

In 2023/24, API contracts includes £7,692k (fixed element) and £2,469k (variable element) of non-consultant pay awards. In 2023/24, all pay awards were required to be shown in National pay award central funding.

In 2023/24, 'API contracts - fixed element' includes £14,024k for Elective recovery fund, which was nationally funded in 2022/23, but is now received locally as part of the ICB allocation.

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

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

Note 3.2 Income from patient care activities (by source)

	2023/24	2022/23
Income from patient care activities received from:	**£000**	**£000**
NHS England	91,446	98,794
Clinical commissioning groups	-	92,228
Integrated care boards	454,234	294,740
Other NHS providers	1,129	819
Non-NHS: private patients	1,034	1,273
Non-NHS: overseas patients (chargeable to patient)	175	230
Injury cost recovery scheme	1,244	1,259
Non NHS: other	36,563	33,884
Total income from activities	**585,825**	**523,227**
Of which:		
Related to continuing operations	585,825	523,227

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

	2023/24	2022/23
	£000	£000
Income recognised this year	175	230
Cash payments received in-year	51	34
Amounts added to provision for impairment of receivables	85	203
Amounts written off in-year	40	33

Note 4 Other operating income

	2023/24			2022/23		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	401	-	**401**	766	-	**766**
Education and training	17,608	-	**17,608**	17,310	-	**17,310**
Non-patient care services to other bodies	2,576	-	**2,576**	1,353	-	**1,353**
Reimbursement and top up funding	-	-	-	1,722	-	**1,722**
Receipt of capital grants and donations and peppercorn leases*	-	2,548	**2,548**	-	403	**403**
Charitable and other contributions to expenditure**	-	190	**190**	-	1,483	**1,483**
Other income***	15,174	-	**15,174**	10,341	-	**10,341**
Total other operating income	**35,759**	**2,738**	**38,497**	**31,492**	**1,886**	**33,378**
Of which:						
Related to continuing operations			38,497			33,378

* This includes £543k donated capital, plus £2.0m of land transfers, new for 2023/24.

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

*** The majority of 'Other income' is for Car-Parking, Pathology, Therapies, Radiology, Midwifery and Intensive Support funding.

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

	2023/24	2022/23
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	297	1,554
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

Note 5.2 Fees and charges

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

Note 6 Operating leases - The Shrewsbury And Telford Hospital NHS Trust as lessor

The Trust has no operating lease agreements where it is acting as the lessor.

Note 7.1 Operating expenses

	2023/24	2022/23
	£000	£000
Purchase of healthcare from non-NHS and non-DHSC bodies	2	115
Staff and executive directors costs	450,918	410,934
Remuneration of non-executive directors	158	160
Supplies and services - clinical (excluding drugs costs)	55,525	41,960
Supplies and services - general	6,794	6,496
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	56,291	51,234
Inventories written down	304	286
Consultancy costs	926	595
Establishment	9,962	7,548
Premises	34,267	30,150
Transport (including patient travel)	814	737
Depreciation on property, plant and equipment	20,718	18,815
Amortisation on intangible assets	3,115	2,479
Net impairments	3,760	(289)
Movement in credit loss allowance: contract receivables / contract assets	373	484
Increase/(decrease) in other provisions	159	162
Change in provisions discount rate(s)	(10)	(10)
Fees payable to the external auditor		
audit services- statutory audit	145	140
Internal audit costs	114	114
Clinical negligence	15,788	14,541
Legal fees	360	290
Insurance	114	88
Education and training	2,657	2,189
Expenditure on short term leases	-	61
Variable lease payments not included in the liability	6,132	5,315
Car parking & security	970	868
Losses, ex gratia & special payments	25	16
Other	934	611
Total	**671,315**	**596,087**
Of which:		
Related to continuing operations	671,315	596,087

Note 7.2 Other auditor remuneration

No other auditor remuneration was paid to the external auditor.

Note 7.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £5 million (2022/23: £5 million).

Note 8 Impairment of assets

	2023/24	2022/23
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	3,760	(289)
Total net impairments charged to operating surplus / deficit	**3,760**	**(289)**
Impairments charged to the revaluation reserve	2,281	1,204
Total net impairments	**6,041**	**915**

The Trust commissioned Cushman and Wakefield to undertake a desktop update valuation of the Trust's Estate as at 31 March 2024. The valuation has resulted in the following:

- impairments to the value of £4,080k have been charged to Statement of Comprehensive Income and previous impairments of £320k have been reversed, giving a net of impairments of £3,760k to Statement of Comprehensive Income;

- impairments of £2,563k have been charged to the Revaluation Reserve and previous impairments of £282k have been reversed, giving a net impairment of £2,281k to the Revaluation Reserve.

Note 9 Employee benefits

	2023/24	2022/23
	Total	Total
	£000	£000
Salaries and wages	324,013	290,274
Social security costs	33,671	28,864
Apprenticeship levy	1,674	1,393
Employer's contributions to NHS pensions	52,956	46,112
Temporary staff (including agency)	41,349	46,529
Total gross staff costs	**453,663**	**413,172**
Recoveries in respect of seconded staff	-	-
Total staff costs	**453,663**	**413,172**
Of which		
Costs capitalised as part of assets	2,745	2,238

Note 9.1 Retirements due to ill-health

During 2023/24 there were 3 early retirements from the trust agreed on the grounds of ill-health (8 in the year ended 31 March 2023). The estimated additional pension liabilities of these ill-health retirements is £202k (£545k in 2022/23).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 10 Pension costs

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State 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 2024, is based on valuation data as at 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024. The Department of Health and Social Care has recently laid Scheme Regulations confirming the the employer contribution rate will increase to 23.7% of pensionable pay from 1 April 2024 (previously 20.6%). The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

Note 11 Finance income

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

	2023/24	2022/23
	£000	£000
Interest on bank accounts	1,878	604
Total finance income	**1,878**	**604**

Note 12.1 Finance expenditure

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

	2023/24	2022/23
	£000	£000
Interest expense:		
Interest on lease obligations	194	192
Interest on late payment of commercial debt	-	1
Total interest expense	**194**	**193**
Unwinding of discount on provisions	20	19
Total finance costs	**214**	**212**

* From 1 April 2023, IFRS 16 liability measurement principles are applied to PFI, LIFT and other service concession liabilities. Increases to imputed lease payments arising from inflationary uplifts are now included in the liability, and contingent rent no longer arises. More information is provided in Note 40.

Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2023/24	2022/23
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	-	1

Note 13 Other gains / (losses)

	2023/24	2022/23
	£000	£000
Gains on disposal of assets	17	-
Losses on disposal of assets	(656)	(479)
Total gains / (losses) on disposal of assets	**(639)**	**(479)**
Total other gains / (losses)	**(639)**	**(479)**

Note 14 Discontinued operations

There are no discontinued operations.

Note 15.1 Intangible assets - 2023/24

	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2023 - brought forward	**4,930**	**15,717**	**8,749**	**29,396**
Additions	81	502	3,652	**4,235**
Reclassifications	432	1,265	(1,888)	**(191)**
Valuation / gross cost at 31 March 2024	**5,443**	**17,484**	**10,513**	**33,440**
Amortisation at 1 April 2023 - brought forward	**1,405**	**6,924**	**-**	**8,329**
Provided during the year	742	2,373	-	**3,115**
Amortisation at 31 March 2024	**2,147**	**9,297**	**-**	**11,444**
Net book value at 31 March 2024	**3,296**	**8,187**	**10,513**	**21,996**
Net book value at 1 April 2023	**3,525**	**8,793**	**8,749**	**21,067**

Note 15.2 Intangible assets - 2022/23

	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2022 - as previously stated	**4,797**	**11,455**	**5,423**	**21,675**
Additions	133	2,518	5,076	**7,727**
Reclassifications	-	1,760	(1,750)	**10**
Disposals / derecognition	-	(16)	-	**(16)**
Valuation / gross cost at 31 March 2023	**4,930**	**15,717**	**8,749**	**29,396**
Amortisation at 1 April 2022 - as previously stated	**771**	**5,095**	**-**	**5,866**
Provided during the year	634	1,845	-	**2,479**
Disposals / derecognition	-	(16)	-	**(16)**
Amortisation at 31 March 2023	**1,405**	**6,924**	**-**	**8,329**
Net book value at 31 March 2023	**3,525**	**8,793**	**8,749**	**21,067**
Net book value at 1 April 2022	**4,026**	**6,360**	**5,423**	**15,809**

Note 16.1 Property, plant and equipment - 2023/24

	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 2023 - brought forward	**13,500**	**197,306**	**1,503**	**45,576**	**63,204**	**413**	**24,255**	**2,774**	**348,531**
Transfers by absorption	1,526	154	-	-	-	-	-	-	**1,680**
Additions	325	6,782	-	59,215	5,523	-	1,933	601	**74,379**
Impairments	(1,851)	(8,251)	-	-	-	-	-	-	**(10,102)**
Reversals of impairments	-	61	-	-	-	-	-	-	**61**
Revaluations	-	1,134	2	-	-	-	-	-	**1,136**
Reclassifications	-	17,500	9	(20,319)	2,753	1	208	40	**192**
Disposals / derecognition	-	-	-	-	(6,320)	-	(2,780)	(587)	**(9,687)**
Valuation/gross cost at 31 March 2024	**13,500**	**214,686**	**1,514**	**84,472**	**65,160**	**414**	**23,616**	**2,828**	**406,190**
Accumulated depreciation at 1 April 2023 - brought forward	**-**	**459**	**-**	**-**	**31,601**	**368**	**12,644**	**1,319**	**46,391**
Provided during the year	-	7,278	40	-	5,702	7	3,693	244	**16,964**
Impairments	-	(3,459)	-	-	-	-	-	-	**(3,459)**
Reversals of impairments	-	(541)	-	-	-	-	-	-	**(541)**
Revaluations	-	(2,976)	(40)	-	-	-	-	-	**(3,016)**
Reclassifications	-	-	-	-	1	1	-	(1)	**1**
Disposals / derecognition	-	-	-	-	(5,670)	-	(2,774)	(587)	**(9,031)**
Accumulated depreciation at 31 March 2024	**-**	**761**	**-**	**-**	**31,634**	**376**	**13,563**	**975**	**47,309**
Net book value at 31 March 2024	**13,500**	**213,925**	**1,514**	**84,472**	**33,526**	**38**	**10,053**	**1,853**	**358,881**
Net book value at 1 April 2023	**13,500**	**196,847**	**1,503**	**45,576**	**31,603**	**45**	**11,611**	**1,455**	**302,140**

Note 16.2 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 - as previously stated	**13,500**	**178,311**	**1,450**	**25,963**	**53,740**	**388**	**23,455**	**2,369**	**299,176**
Additions	-	6,649	-	37,249	6,738	6	643	127	**51,412**
Impairments	-	(3,955)	-	-	-	-	-	-	**(3,955)**
Reversals of impairments	-	547	3	-	-	-	-	-	**550**
Revaluations	-	4,833	49	-	-	-	-	-	**4,882**
Reclassifications	-	10,921	1	(16,711)	5,325	19	157	278	**(10)**
Disposals / derecognition	-	-	-	(925)	(2,599)	-	-	-	**(3,524)**
Valuation/gross cost at 31 March 2023	**13,500**	**197,306**	**1,503**	**45,576**	**63,204**	**413**	**24,255**	**2,774**	**348,531**
Accumulated depreciation at 1 April 2022 - as previously stated	**-**	**397**	**-**	**-**	**28,936**	**354**	**8,883**	**1,116**	**39,686**
Provided during the year	-	6,364	37	-	4,760	14	3,761	229	**15,165**
Impairments	-	(1,356)	-	-	-	-	-	-	**(1,356)**
Reversals of impairments	-	(1,131)	(3)	-	-	-	-	-	**(1,134)**
Revaluations	-	(3,815)	(34)	-	-	-	-	-	**(3,849)**
Reclassifications	-	-	-	-	26	-	-	(26)	**-**
Disposals / derecognition	-	-	-	-	(2,121)	-	-	-	**(2,121)**
Accumulated depreciation at 31 March 2023	**-**	**459**	**-**	**-**	**31,601**	**368**	**12,644**	**1,319**	**46,391**
Net book value at 31 March 2023	**13,500**	**196,847**	**1,503**	**45,576**	**31,603**	**45**	**11,611**	**1,455**	**302,140**
Net book value at 1 April 2022	**13,500**	**177,914**	**1,450**	**25,963**	**24,804**	**34**	**14,572**	**1,253**	**259,490**

Valuation Key Factors

There are a variety of factors which drive the valuation. Outlined below are those factors which are most sensitive to change.

Floor areas

Floor areas cover the buildings, the departments within them and the land, and are a key factor in the valuation. RICS BCIS release banded rates per square metre, (e.g., 0-500, 500-1000). It is important that the floor area is correct, to ensure that the correct band rate is used, which feeds into the build cost, having a material effect on the valuation. The valuer relies on information provided by the Trust, reviewing a sample of buildings against plans provided by the Trust to confirm accuracy.

Use of asset

BCIS release individual values for different types of assets. Different uses will attract different values, for example an office will have a far lower pounds per square metre in terms of build cost than a clinic, so it is important the valuer has the right use, as this will affect the build cost which feeds into the valuation.

Obsolescence

Obsolescence is broken down into three types: functional, amalgamated and external:

Functional obsolescence is where the design or specification of the building no longer efficiently fulfils the function for which it was designed, compared to the modern equivalent. An example is offices – historically offices were built in a cellular arrangement with executive offices. Now offices are more open plan, with better use of space and larger floor areas, allowing for more fluid desk arrangements. The valuer considers: if we were to build a modern office today, how different would it be from what we currently have. In this case the pounds per square metre would be discounted to reflect the fact that what we have, isn't as efficient as a rebuild would be.

Amalgamated obsolescence is obsolescence caused by amalgamating two or more assets. We have not undertaken any amalgamations to date.

External obsolescence is related to economics: where there is overcapacity against the demand. For example, an 80-bed ward block for which the maximum demand is 60 beds, would give rise to a 25% external obsolescence.

Design lives

The valuer uses a set design life depending on the construction of the asset so for frame buildings, 90 years is used, for non-framed (traditional, masonry construction), 80 years. These are determined by BCIS and also through professional judgement. Through inspection, the valuer assesses what the residual life is for each element of the asset. So, taking windows as an example, if they are new they will be given the full design life, whereas if they are old, the seals have started to fail and the frames have degraded, the valuer will decide how long the windows have left before they will need replacing.

If the windows need replacing, the valuer will only provide them with say a 13-year remaining life, rather than the 40-year design life, otherwise they would be valued far higher than what we actually have; the valuer is trying to arrive at a value for what we currently have.

Professional fees, solicitor's fees

Solicitor's fees are based on percentages of the build cost, and professional judgement.

In terms of planning fees, the Local Planning Authority release guidelines for calculating the cost of planning applications. They are calculated as a proportion of floor area, hence the need for floor area to be accurate. The Valuer will use the total floor area of the whole site to calculate the planning fee and then apportion this against each block on the site. The planning fee is an estimate of what it would cost to rebuild the block, however we are not building a modern equivalent asset, so the planning fee is discounted using the residual life, to reflect it as a planning fee to build what we have.

Land values

The valuer will look at the location of the site and look at comparables available on the market for land sales of a similar ilk over the last couple of years, 12 months, whatever is available and then make an assessment as a pounds per acre.

BCIS TPI

Tender Price Indices represent the price for which the contractor offers to carry out the project, i.e. cost to client, as opposed to Building Cost Indices which represent the costs to the contractor in constructing the building. The principal incurred costs being those for labour and materials. As mentioned above, the build rate is indexed for this.

Location Factors

Location factors are included to adjust average prices to a particular location, e.g. Telford. The build rate is also indexed for this.

Note 16.3 Property, plant and equipment financing - 31 March 2024

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	13,500	205,255	1,182	84,472	30,632	38	10,031	1,780	**346,890**
Owned - donated/granted	-	8,670	332	-	2,894	-	22	73	**11,991**
Total net book value at 31 March 2024	**13,500**	**213,925**	**1,514**	**84,472**	**33,526**	**38**	**10,053**	**1,853**	**358,881**

Note 16.4 Property, plant and equipment financing - 31 March 2023

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	13,500	188,603	1,167	45,563	27,993	45	11,571	1,371	**289,813**
Owned - donated/granted	-	8,244	336	13	3,610	-	40	84	**12,327**
Total net book value at 31 March 2023	**13,500**	**196,847**	**1,503**	**45,576**	**31,603**	**45**	**11,611**	**1,455**	**302,140**

Note 16.5 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2024

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Not subject to an operating lease	13,500	213,925	1,514	84,472	33,526	38	10,053	1,853	**358,881**
Total net book value at 31 March 2024	**13,500**	**213,925**	**1,514**	**84,472**	**33,526**	**38**	**10,053**	**1,853**	**358,881**

Note 16.6 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Not subject to an operating lease	13,500	196,847	1,503	45,576	31,603	45	11,611	1,455	**302,140**
Total net book value at 31 March 2023	**13,500**	**196,847**	**1,503**	**45,576**	**31,603**	**45**	**11,611**	**1,455**	**302,140**

Note 17 Donations of property, plant and equipment

During 2023/24 donations have been received from Royal Shrewsbury Hospital League of Friends, Friends of Princess Royal Hospital, The Shrewsbury and Telford Hospital NHS Trust Charitable Funds and Lingen Davies Cancer Fund for the purchase of medical equipment and building works.

Note 18 Revaluations of property, plant and equipment

The Trust commissioned Cushman and Wakefield to undertake an interim valuaton of the Trust's Estate as at 31 March 2024. The properties were inspected internally and externally by Craig Chatwin BSc (Hons) MRICS, Adam Griffiths BSc (Hons) MRICS and Steven Gandley BSc (Hons) MRICS on 15 and 16 February 2021. David Wilson MRICS has been signatory of Valuation Reports provided to Shrewsbury and Telford Hospitals NHS Trust for a continuous period since 31 March 2021. Emily Fox MRICS is a signatory of this report but has had no previous involvement. The valuation has been prepared in accordance with RICS Valuation - Global Standards, which

incorporate the International Valuation Standards ('IVS') and the RICS UK National Supplement (the 'RICS Red Book') edition current at the Valuation Date. It follows that the valuation is compliant with IVS.

As a result of these revaluations the Net book value of the Estate was valued downwards by £1,889k as follows: Revaluation Reserve - total £1,871k increase, representing a revaluation upwards of £4,152k and a net decrease of £2,281k relating to reversals totalling £282k and £2,563k impairments charged. The Impairment Charge to SoCI is £3,760k - representing an impairment charge to the value of £4,080k and reversal of previous impairments of £320k. A transfer of £142k between reserves was actioned for land transferred to the Trust from NHSE.

Note 19 Leases - The Shrewsbury And Telford Hospital NHS Trust as a lessee

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

The Trust is a lessee in a number of leases relating to property and equipment. These include property leases for a number of the Trust's services including Fertility Service and Maternity Services. In addition, the Trust has several leases for equipment including MRI and CT scanners, X-Ray equipment and Endoscopy and Pathology Services equipment.

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.

Note 19.1 Right of use assets - 2023/24

	Property (land and buildings) £000	Plant & machinery £000	Transport equipment £000	Total £000	Of which: leased from DHSC group bodies £000
Valuation / gross cost at 1 April 2023 - brought forward	**15,450**	**9,128**	**334**	**24,912**	**4,351**
Additions	1,224	215	128	**1,567**	407
Remeasurements of the lease liability	179	(58)	-	**121**	37
Disposals / derecognition	-	(47)	(146)	**(193)**	-
Valuation/gross cost at 31 March 2024	**16,853**	**9,238**	**316**	**26,407**	**4,795**
Accumulated depreciation at 1 April 2023 - brought forward	**1,514**	**2,029**	**107**	**3,650**	**562**
Provided during the year	1,602	2,048	104	**3,754**	588
Disposals / derecognition	-	(31)	(51)	**(82)**	-
Accumulated depreciation at 31 March 2024	**3,116**	**4,046**	**160**	**7,322**	**1,150**
Net book value at 31 March 2024	**13,737**	**5,192**	**156**	**19,085**	**3,645**
Net book value at 1 April 2023	**13,936**	**7,099**	**227**	**21,262**	**3,789**

Net book value of right of use assets leased from other NHS providers	1,754
Net book value of right of use assets leased from other DHSC group bodies	1,891

Note 19.2 Right of use assets - 2022/23

	Property (land and buildings) £000	Plant & machinery £000	Transport equipment £000	Total £000	Of which: leased from DHSC group bodies £000
Valuation / gross cost at 1 April 2022 - brought forward	**-**	**-**	**-**	**-**	**-**
IFRS 16 implementation - adjustments for existing operating leases / subleases	12,071	9,047	341	**21,459**	4,732
Additions	3,888	81	-	**3,969**	349
Remeasurements of the lease liability	(509)	-	-	**(509)**	(730)
Disposals / derecognition	-	-	(7)	**(7)**	-
Valuation/gross cost at 31 March 2023	**15,450**	**9,128**	**334**	**24,912**	**4,351**
Accumulated depreciation at 1 April 2022 - brought forward	-	-	-	**-**	-
Provided during the year	1,514	2,029	107	**3,650**	562
Accumulated depreciation at 31 March 2023	**1,514**	**2,029**	**107**	**3,650**	**562**
Net book value at 31 March 2023	**13,936**	**7,099**	**227**	**21,262**	**3,789**
Net book value at 1 April 2022	**-**	**-**	**-**	**-**	**-**

Net book value of right of use assets leased from other NHS providers	1,941
Net book value of right of use assets leased from other DHSC group bodies	1,848

Note 19.3 Revaluations of right of use assets

No Right of use assets have been revalued in 23/24.

Note 19.4 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 32.1.

	2023/24	2022/23
	£000	£000
Carrying value at 31 March	**21,620**	**-**
IFRS 16 implementation - adjustments for existing operating leases	-	21,234
Lease additions	1,567	3,969
Lease liability remeasurements	121	(509)
Interest charge arising in year	194	192
Early terminations	(128)	(7)
Lease payments (cash outflows)	(4,451)	(3,259)
Carrying value at 31 March	**18,923**	**21,620**

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 7.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Income generated from subleasing right of use assets in £0k and is included within revenue from operating leases in note 4.

Note 19.5 Maturity analysis of future lease payments

	Total	Of which leased from DHSC group bodies:	Total	Of which leased from DHSC group bodies:
	31 March 2024	31 March 2024	31 March 2023	31 March 2023
	£000	£000	£000	£000
Undiscounted future lease payments payable in:				
- not later than one year;	3,795	636	3,651	570
- later than one year and not later than five years;	9,715	1,803	12,066	1,823
- later than five years.	5,413	1,265	5,903	1,422
Total gross future lease payments	**18,923**	**3,704**	**21,620**	**3,815**
Finance charges allocated to future periods	-	-	-	-
Net lease liabilities at 31 March 2024	**18,923**	**3,704**	**21,620**	**3,815**
Of which:				
Leased from other NHS providers		1,765		1,945
Leased from other DHSC group bodies		1,939		1,870

Note 20 Investment Property

The Trust has no investment property that require disclosure within this note.

Note 21 Investments in associates and joint ventures

The Trust has no investments in associates or joint ventures.

Note 22 Other investments/financial assets

The Trust has no other investments/financial assets.

Note 23 Disclosure of interests in other entities

The Trust has no interests in unconsolidated subsidiaries, joint ventures, associates or unconsoldated structured entities that require disclosures within this note.

Note 24 Inventories

	31 March 2024	31 March 2023
	£000	£000
Drugs	3,274	3,206
Consumables	6,458	6,141
Energy	179	427
Total inventories	**9,911**	**9,774**

Inventories recognised in expenses for the year were £453k (2022/23: £98,869k). Write-down of inventories recognised as expenses for the year were £304k (2022/23: £286k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2023/24 the Trust received £190k of items purchased by DHSC (2022/23: £1,483k).

The deemed cost of these inventories was charged directly to expenditure on receipt with the corresponding benefit recognised in income.

Note 25.1 Receivables

	31 March 2024	31 March 2023
	£000	£000
Current		
Contract receivables*	7,777	20,249
Allowance for impaired contract receivables / assets	(1,221)	(1,130)
Prepayments (non-PFI)	3,056	2,568
PDC dividend receivable	-	257
VAT receivable	1,464	1,315
Other receivables	66	248
Total current receivables	**11,142**	**23,507**
Non-current		
Contract receivables	1,243	1,259
Other receivables	604	743
Total non-current receivables	**1,847**	**2,002**
Of which receivable from NHS and DHSC group bodies:		
Current	2,855	17,339
Non-current	604	743

*Contract receivables in 22/23 includes £12.2m pay award funding from NHSE.

Note 25.2 Allowances for credit losses

	2023/24		2022/23	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 April - brought forward	**1,130**	**-**	**839**	**-**
Prior period adjustments			-	-
Allowances as at 1 April - restated	**1,130**	**-**	**839**	**-**
Transfers by absorption	-	-	-	-
New allowances arising	504	-	553	-
Changes in existing allowances	-	-	-	-
Reversals of allowances	(131)	-	(69)	-
Utilisation of allowances (write offs)	(282)	-	(193)	-
Allowances as at 31 Mar 2024	**1,221**	**-**	**1,130**	**-**

Note 25.3 Exposure to credit risk

The majority of the Trust's revenue comes from contracts with other public sector bodies therefore the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2023 are in receivables from customers, as disclosed in the trade and other receivables note.

Note 26 Finance leases (The Shrewsbury And Telford Hospital NHS Trust as a lessor)

The Trust has no finance leases.

Note 27 Other assets

The Trust has no other assets that require disclosure within this note.

Note 28.1 Non-current assets held for sale and assets in disposal groups

The Trust has no non-current assets held for sale or assets in disposal groups.

Note 28.2 Liabilities in disposal groups

The Trust has no other liabilities in disposal groups that require disclosure within this note.

Note 29.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2023/24	2022/23
	£000	£000
At 1 April	**3,301**	**15,889**
Net change in year	51,379	(12,588)
At 31 March	**54,680**	**3,301**
Broken down into:		
Cash at commercial banks and in hand	17	16
Cash with the Government Banking Service	54,663	3,285
Total cash and cash equivalents as in SoFP	**54,680**	**3,301**
Total cash and cash equivalents as in SoCF	**54,680**	**3,301**

Note 29.2 Third party assets held by the trust

The Shrewsbury And Telford Hospital NHS Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2024	31 March 2023
	£000	£000
Bank balances	3	3
Total third party assets	**3**	**3**

Note 30.1 Trade and other payables

	31 March 2024	31 March 2023
	£000	£000
Current		
Trade payables	13,826	14,709
Capital payables	29,371	29,402
Accruals	24,120	41,158
Receipts in advance and payments on account	10	35
Social security costs	276	283
Other taxes payable	487	471
PDC dividend payable	180	-
Pension contributions payable	113	119
Other payables	217	90
Total current trade and other payables	**68,600**	**86,267**
Of which payables from NHS and DHSC group bodies:		
Current	1,603	1,962

Note 30.2 Early retirements in NHS payables above

The payables note above includes amounts in relation to early retirements as set out below:

	31 March 2024	31 March 2024	31 March 2023	31 March 2023
	£000	Number	£000	Number
- to buy out the liability for early retirements over 5 years	-		-	
- number of cases involved		-		-

Note 31 Other liabilities

	31 March 2024	31 March 2023
	£000	£000
Current		
Deferred income: contract liabilities*	1,405	297
Total other current liabilities	**1,405**	**297**

* In 23/24 deferred income includes £799k for the Princess Royal Hospital Front Entrance and £257k for Surgery Anaesthetics.

Note 32.1 Borrowings

	31 March 2024	31 March 2023
	£000	£000
Current		
Lease liabilities	3,795	3,651
Total current borrowings	**3,795**	**3,651**
Non-current		
Lease liabilities	15,128	17,969
Total non-current borrowings	**15,128**	**17,969**

Note 32.2 Reconciliation of liabilities arising from financing activities

	Lease Liabilities	Total
	£000	£000
Carrying value at 1 April 2023	**21,620**	**21,620**
Cash movements:		
Financing cash flows - payments and receipts of principal	(4,257)	**(4,257)**
Financing cash flows - payments of interest	(194)	**(194)**
Non-cash movements:		
Additions	1,567	**1,567**
Lease liability remeasurements	121	**121**
Application of effective interest rate	194	**194**
Early terminations	(128)	**(128)**
Carrying value at 31 March 2024	**18,923**	**18,923**

	Lease Liabilities	Total
	£000	£000
Carrying value at 1 April 2022	**-**	**-**
Cash movements:		
Financing cash flows - payments and receipts of principal	(3,067)	**(3,067)**
Financing cash flows - payments of interest	(192)	**(192)**
Non-cash movements:		
Impact of implementing IFRS 16 on 1 April 2022	21,234	**21,234**
Additions	3,969	**3,969**
Lease liability remeasurements	(509)	**(509)**
Application of effective interest rate	192	**192**
Early terminations	(7)	**(7)**
Carrying value at 31 March 2023	**21,620**	**21,620**

Note 33 Other financial liabilities

The Trust has no other financial liabilities.

Note 34.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Clinicians Pension Provision	Total
	£000	£000	£000	£000	£000
At 1 April 2023	**43**	**156**	**214**	**762**	**1,175**
Change in the discount rate	-	(10)	-	(137)	**(147)**
Arising during the year	49	62	78	-	**189**
Utilised during the year	(45)	(76)	(121)	(10)	**(252)**
Reversed unused	-	-	(30)	(22)	**(52)**
Unwinding of discount	-	20	-	41	**61**
At 31 March 2024	**47**	**152**	**141**	**634**	**974**
Expected timing of cash flows:					
- not later than one year;	47	77	141	30	**295**
- later than one year and not later than five years;	-	56	-	43	**99**
- later than five years.	-	19	-	561	**580**
Total	**47**	**152**	**141**	**634**	**974**

Early departure costs and injury benefits relate to a provision for future payments payable to NHS Pensions Agency in respect of former employees.

Legal claims relate to NHS Resolution non clinical cases with employees and members of the general public.

Clinicians who are members of the NHS Pension Scheme and who as a result of work undertaken face a tax charge in respect of the growth of their NHS pension benefits above their pension savings annual allowance threshold will be able to have this charge paid by the NHS pension scheme. A contra entry has been set up in Receivables (see Note 25.1)

Note 34.2 Clinical negligence liabilities

At 31 March 2024, £323,812k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of The Shrewsbury And Telford Hospital NHS Trust (31 March 2023: £372,224k).

Note 35 Contingent assets and liabilities

	31 March 2024	31 March 2023
	£000	£000
Value of contingent liabilities		
NHS Resolution legal claims	(39)	(32)
Gross value of contingent liabilities	**(39)**	**(32)**
Net value of contingent liabilities	**(39)**	**(32)**

Note 36 Contractual capital commitments

	31 March 2024	31 March 2023
	£000	£000
Property, plant and equipment	23,706	7,604
Intangible assets	659	455
Total	**24,365**	**8,059**

Note 37 Other financial commitments

The Trust has no other financial commitments.

Note 38 Defined benefit pension schemes

The Trust has no other defined benefit pensions schemes.

Note 39 On-SoFP PFI, LIFT or other service concession arrangements

The Trust has no on-SOFP PFI, LIFT or other service concession arrangements.

Note 40 Financial instruments

Note 40.1 Financial risk management

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

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

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

Interest rate risk
The borrowings are for 1-25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

The Trust may also borrow from government for revenue financing subject to approval by NHS England.
Interest rates are confirmed by the Department of Health and Social Care (the lender) at the point borrowing is undertaken. The Trust has no revenue or capital loans in place as at 31 March 2024.

The Trust therefore has low exposure to interest rate fluctuations.

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

Liquidity risk
The Trust's operating costs are incurred under contracts with ICBs, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks subject to the availability of temporary revenue support funding and the demonstration of cash requirement.

Note 40.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2024	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	8,469	**8,469**
Cash and cash equivalents	54,680	**54,680**
Total at 31 March 2024	**63,149**	**63,149**

Carrying values of financial assets as at 31 March 2023	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	21,369	**21,369**
Cash and cash equivalents	3,301	**3,301**
Total at 31 March 2023	**24,670**	**24,670**

Note 40.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2024	Held at amortised cost	Total book value
	£000	£000
Obligations under leases	18,923	**18,923**
Trade and other payables excluding non financial liabilities	66,084	**66,084**
Provisions under contract	974	**974**
Total at 31 March 2024	**85,981**	**85,981**

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost	Total book value
	£000	£000
Obligations under leases	21,620	**21,620**
Trade and other payables excluding non financial liabilities	85,478	**85,478**
Provisions under contract	1,175	**1,175**
Total at 31 March 2023	**108,273**	**108,273**

Note 40.4 Maturity of financial liabilities

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

	31 March 2024	31 March 2023
	£000	£000
In one year or less	70,174	89,476
In more than one year but not more than five years	9,814	12,200
In more than five years	5,993	6,597
Total	**85,981**	**108,273**

Note 40.5 Fair values of financial assets and liabilities

The book value (carrying value) is a reasonable approximation of fair value for the Trust's financial assets and liabilities.

Note 41 Losses and special payments

	2023/24		2022/23	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Bad debts and claims abandoned	365	270	365	250
Stores losses and damage to property	40	304	42	287
Total losses	**405**	**574**	**407**	**537**
Special payments				
Ex-gratia payments	78	224	57	204
Total special payments	**78**	**224**	**57**	**204**
Total losses and special payments	**483**	**798**	**464**	**741**
Compensation payments received				

£121k of the ex-gratia payments in 2023/24 (£71k in 22/23) are included in legal claims in Note 34.1 Provisions for liabilities and charges analysis rather than Note 7.1 Operating Expenses.

Note 42 Gifts

	2023/24		2022/23	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Gifts made	-	-	-	-

Note 43 Related parties

The Department of Health and Social Care is regarded as the parent department.
The main entries within the public sector that the trust has had dealings with during the year are listed below.
These are entities where income and/or expenditure has been in excess of £250,000.

NHS Shropshire, Telford and Wrekin ICB
NHS Black Country ICB
NHS Cheshire and Merseyside ICB
NHS Staffordshire and Stoke-on-Trent ICB
NHS Herefordshire and Worcestershire ICB
NHS Birmingham and Solihull ICB
NHS England
NHS Property Services
NHS Resolution
Shropshire Unitary Authority
Shropshire Community Health NHS Trust
Midlands Partnership NHS Foundation Trust
The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust
The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust
The Royal Wolverhamptn NHS Trust
University Hospitals of North Midlands NHS Trust
Powys Local Health Board
Betsi Cadwaladr University Local Health Board
Cwm Taf Local Health Board
NHS Pension Scheme
HM Revenue and Customs
Sandwell And West Birmingham Hospitals NHS Trust
UK Health Security Agency
Care Quality Commission
Telford and Wrekin (Borough of)

The Trust is linked to the Shrewsbury and Telford Hospital NHS Trust Charity. The Annual Report and Accounts for the Shrewsbury and Telford Hospital NHS Charity are submitted separately to the Charity Commission and are not consolidated into the Trust's Accounts.

The Trust is also linked to Royal Shrewsbury Hospital League of Friends, Friends of Princess Royal Hospital and Lingen Davies Cancer Fund, who donate various pieces of medical equipment to the Trust. The Trust hires facilities from Shropshire Education and Conference Centre.

Note 44 Transfers by absorption

During the year there were three transfers: two land transfers from DHSC comprising land at Royal Shrewsbury Hospital (NBV £150k) and land at Princess Royal Hospital (£175k) and a land and building transfer from NHS Property Services at Princess Royal Hospital (£1,680k)

Note 45 Prior period adjustments

The Trust has made no prior period adjustments where comparative information has been restated due to either a change in accounting policy or material prior period error.

Note 46 Events after the reporting date

There are no events after the reporting date that need to be included in this note.

Note 47 Better Payment Practice code

	2023/24	2023/24	2022/23	2022/23
Non-NHS Payables	**Number**	**£000**	**Number**	**£000**
Total non-NHS trade invoices paid in the year	162,599	297,001	154,683	239,467
Total non-NHS trade invoices paid within target	146,527	271,616	102,687	157,849
Percentage of non-NHS trade invoices paid within target	90.1%	91.5%	66.4%	65.9%
NHS Payables				
Total NHS trade invoices paid in the year	2,268	13,022	2,025	12,847
Total NHS trade invoices paid within target	1,939	9,796	1,244	8,285
Percentage of NHS trade invoices paid within target	85.5%	75.2%	61.4%	64.5%

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

Note 48 External financing limit

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

	2023/24	2022/23
	£000	**£000**
Cash flow financing	113,244	79,975
External financing requirement	**113,244**	**79,975**
External financing limit (EFL)	128,839	80,779
Under / (over) spend against EFL	**15,595**	**804**

Note 49 Capital Resource Limit

	2023/24	2022/23
	£000	**£000**
Gross capital expenditure	80,302	62,599
Less: Disposals	(767)	(1,410)
Less: Donated and granted capital additions	(868)	(403)
Charge against Capital Resource Limit	**78,667**	**60,786**
Capital Resource Limit	78,667	61,590
Under / (over) spend against CRL	**-**	**804**

Note 50 Breakeven duty financial performance

	2023/24	2022/23
	£000	**£000**
Adjusted financial performance surplus / (deficit) (control total basis)	(54,582)	(47,206)
Breakeven duty financial performance surplus / (deficit)	**(54,582)**	**(47,206)**

Note 51 Breakeven duty rolling assessment

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		712	26	59	81	65	(12,130)	(14,649)
Breakeven duty cumulative position	(22,891)	(22,179)	(22,153)	(22,094)	(22,013)	(21,948)	(34,078)	(48,727)
Operating income		262,882	277,980	299,850	309,362	314,106	316,794	326,477
Cumulative breakeven position as a percentage of operating income		(8.4%)	(8.0%)	(7.4%)	(7.1%)	(7.0%)	(10.8%)	(14.9%)

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	(5,631)	(17,400)	(18,743)	(25,715)	(3,752)	(10,890)	(47,206)	(54,582)
Breakeven duty cumulative position	(54,358)	(71,758)	(90,501)	(116,216)	(119,968)	(130,858)	(178,063)	(232,645)
Operating income	350,244	359,041	369,186	421,853	511,443	535,142	556,605	624,322
Cumulative breakeven position as a percentage of operating income	(15.5%)	(20.0%)	(24.5%)	(27.5%)	(23.5%)	(24.5%)	(32.0%)	(37.3%)

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Your ref

Our ref

Contact Tony Felthouse
0121 232 3247

13 August 2024

Dear Helen

Independent Auditor's 2023/24 Report to the Board of Directors of The Shrewsbury and Telford Hospital NHS Trust

Issue of audit opinion on the financial statements

In our audit report to The Shrewsbury and Telford Hospital NHS Trust (The "Trust") for the year ended 31 March 2024 issued on 28 June 2024 we reported:

In our opinion, the financial statements:

- *give a true and fair view of the state of the Trust's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;*
- *have been properly prepared in accordance with the accounting policies directed by NHS England with the consent of the Secretary of State in February 2024 as being relevant to NHS Trusts and included in the Department of Health and Social Care Group Accounting Manual 2023/24; and*
- *have been prepared in accordance with the requirements of the National Health Service Act 2006 (as amended).*

Issue of value for money conclusion

In our audit report for the year ended 31 March 2024 issued on 28 June 2024 we reported the following in respect of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources:

KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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KPMG LLP

13 August 2024

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.

Certificate of completion of the audit

In our *Year end report to the Audit and Risk Committee* issued on 28 June 2024, we explained that we could not certify the audit as complete as we had not yet issued our 2023/24 Auditor's Annual Report. We have now issued that report and there are no further matters to bring to your attention.

We certify that we have completed the audit of the accounts The Shrewsbury and Telford Hospital NHS Trust for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Yours sincerely,

Andrew Cardoza
Director, KPMG LLP

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This document is also available on request in other formats, including large print and translation into other languages for people in Shropshire, Telford & Wrekin and mid-Wales. Please contact us at communications@sath.nhs.uk to request other formats.