



Stockport
NHS Foundation Trust

Stockport NHS Foundation Trust
Annual Report and Accounts 2022-23

Stockport NHS Foundation Trust

Annual Report and Accounts 2022-2023

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

CONTENTS

	Page
Chair's introduction	6
Review of the year – Service Improvements	9
Review of the year – Awards	13
Review of the year – Trust Charity	20
Performance report	23
Chief Executive's statement	23
The Trust	29
Key risks to delivering our objectives	31
Going concern	32
Performance analysis	33
Accountability report	63
Directors' report	63
Remuneration report	74
Staff report	85
NHS Foundation Trust Code of Governance disclosures	101
Council of Governors & Membership	108
NHS Oversight Framework	116
Statement of Accountable Officer's Responsibilities	117
Annual Governance Statement	119
Independent Auditor's report	131
Annual Accounts 2022-23	138

Chair's introduction

This annual report is the second one I have introduced since joining Stockport NHS Foundation Trust as Chair. I'm very conscious that in the lifetime of the Trust, two years is a relatively short period of time, something that was brought home to me as we celebrated colleagues and volunteers who had worked 20, 30 and even 40 years in the hospital and wider NHS. It was a real privilege to be part of the celebration of the people who had, and continue to make, a difference to people's lives, every single day.

Like many of my colleagues, the last 12 months have been challenging ones for me. World events, the war in Ukraine, and the earthquake in Turkey and Syria, and now the troubles in the Middle East and Sudan have dominated our news. However, it's issues closer to home that have really made the last 12 months challenging.

The NHS is still learning to live with Covid-19. This past year has seen regular waves of people being admitted because of Covid. Some of these 'Covid waves' have coincided with seasonal flu and other respiratory illnesses putting our services under even greater strain. Opening wards to care for these patients can mean that the number of beds available for elective procedures become reduced. This impacts on our ability to deal with the Covid-19 legacy of long waiting lists. Although great strides have been made in addressing the needs of those patients on long waiting lists, there is still more work to be done in reducing the numbers of people still awaiting a diagnostic test or treatment.

Over the past year we have seen and continue to see, exceptionally large numbers of people presenting at our Emergency Department. At the same time, we have consistently dealt with higher than we would want numbers of patients who are medically fit, but still require some support and care, and who remain in our hospital because this care is not available to them. These are challenges many acute hospitals face; but there are also opportunities to do things differently and in so doing reduce the overall demand for hospital care through improving people's lives and reducing health inequalities.

You will see in this annual report many of the transformational developments that colleagues have delivered over the past year, both in our hospital and community settings. The outcomes of these changes have meant patients are able to receive better care, benefit from new knowledge and ways of doing things, and often spending much less time with us than in the past. For example, we have a digital strategy that is aimed at harnessing new technologies in delivering care, but also to enable people to have more control over how their health and wellbeing is maintained.

In partnership with other organisations across Stockport, we have continued to look at ways in which the social determinants of health can be addressed. As an organisation that employs over 5000 people, many of whom live in and around Stockport, I believe we have many opportunities to enable colleagues and their families to live better, healthier and more enjoyable lives. You will see in the annual report the work we continue to do supporting our colleagues. Whilst support was increased during the worst periods of the pandemic, and albeit we are learning to live with Covid, there is still a need to find additional ways to support our colleagues. I have been impressed with the many different and creative ways in which our people have been cared for. However, there is more we can do in the future in making a positive difference to people's health and wellbeing.

It isn't just direct individual action that is important. I believe that we should continuously look for ways in which our organisational values can be demonstrated more widely. For example, the construction of our new Urgent and Emergency Care facility is already delivering over £9 million of social value. This includes 51 apprentice weeks, 40 hours of career support, 65 hours supply chain support, 42 hours of volunteering. Tilbury Douglas, the construction company, are using local contractors on the project, and 72% of all the materials and equipment used is supplied by local firms.

We continue to develop more collaborative ways of working with other organisations across Greater Manchester. Building on the new ways of working, and the provision of mutual aid seen during the pandemic, new patient pathways have been developed. This has enabled some of the longest waiting lists for diagnostic and treatments to be considerably reduced, something that would have been difficult for our Trust to have done in isolation. The annual report also outlines the more formal work we have been engaged in to develop a more sustainable approach to several vulnerable clinical services provided by our Trust and East Cheshire NHS Trust.

I'm delighted with our continuing collaboration with Tameside and Glossop Integrated Care Foundation Trust. Both Boards undertook an assessment of the benefits of our closer working relationships, an exercise that showed positive outcomes for both organisations. Both our organisations are committed to ensuring we explore every opportunity for sustainable and appropriate future collaboration.

The annual report illustrates the huge variety of services we provide, and the service developments that have been brought to fruition during the past year. It has been my privilege to visit many of these services and meet colleagues in both face-to-face contact with patients, but also, colleagues who contribute in other ways to ensure we provide the best possible experience for all those who use our services. Albeit we were unsuccessful in our bid to the Government's New Hospital Programme, we have and will undertake further work in improving the facilities on both the hospital site and in our community settings. There are many challenges to this work, particularly on the

hospital site, but I'm pleased that all such work is being carried out in ways that help reduce our carbon footprint and protect the environment in the longer term. The Board regularly reviews progress on the achievement of our Green Plan objectives.

The annual report outlines a number of strategies that have been developed during the past year, and the work that has begun to deliver these strategic objectives. We cannot work in isolation, and increasingly our strategies must reflect those of the Greater Manchester Integrated Care System (ICS). Our Board members have been fully engaged with colleagues across Greater Manchester to ensure a high degree of congruence is achieved in taking the ICS strategy forward through our local plans and activities. Much of this work is still very embryonic, and relationships are still being developed. However, the progress made to date gives me confidence that effective system working is both desirable and achievable.

I am not only Chair of the Board of Directors but also Chair of the Council of Governors, which holds the Board to account via the Non-Executive Directors for delivery of the organisation's objectives. More information on this can be found in the Council of Governors & Membership section of the annual report. Over the past year the Board and the Council have worked together at ensuring there is greater transparency of decision making processes. Our formal and informal meetings moved to being face-to-face during the year, and it has been wonderful to work with our Council members in real life!

Finally, the NHS is a people organisation. As we state in our values, we care about each other, our patients and their families, and the communities we serve. As the NHS celebrates its 75th birthday, this annual report demonstrates that the people who make up Stockport NHS Foundation Trust have achieved much to be proud of during 2022-23, and lots to be excited and optimistic about for the coming year.



Prof. Tony Warne
Chair
27th June 2023

Review of the Year - Service Improvements

Our teams and colleagues are constantly striving to provide the best possible care for the people of Stockport and surrounding areas. Here are just a few examples of the service improvement they have made over the last year. You will find more in the news and events sections of our website www.stockport.nhs.uk:

Emergency and urgent care campus

Few people visiting the Stepping Hill Hospital site in recent months could have failed to see the huge amount of work going on to build a new emergency and urgent care campus.

In 2022, NHS England and the Department of Health and Social Care approved our plans to spend over £30 million on creating a more modern and efficient building in which to provide the emergency and urgent care the people of Stockport and surrounding areas deserve.

Our clinical staff have worked hard on the design to ensure it will meet the needs of patients, as well as provide a much better environment for our colleagues to work in compared to the current A&E department, which was never built to meet the needs of the hundreds of people who now use our emergency and urgent care services every day.

Building began on site in August 2022 and when it is finished towards the end of March 2024 the campus will provide new assessment, treatment and consultation areas for several key emergency and urgent care services, including the children's emergency department, mental health, and medical same day emergency care.

Constructing anything on a busy hospital site is never easy and while we have tried to keep disruption to the minimum it has impacted on the traffic routes around the hospital, including the introduction of a one way system between Poplar Grove and Bramhall Moore Lane entrances. We would like to thank everyone for their patience while the building work is underway.

£3m endoscopy redevelopment

We opened an expanded and improved endoscopy suite at Stepping Hill Hospital after a make-over costing more than £3m.

Thousands of endoscopy procedures are carried out at Stepping Hill Hospital each year, and demand is growing at the same time as our teams are addressing the backlog of cases caused by the pandemic.

Our investment has increased the number of procedure rooms from three to four, provided separate recovery areas for men and women, and provided new equipment. The re-development has increased the capacity of the suite by 33%, meaning that now an estimated 18,000 procedures a year can be carried out helping us to meet the national standard waiting time standards of two weeks for urgent and six weeks for routine referrals.

Cancer rapid diagnosis centre

Stepping Hill Hospital has been designated as a rapid diagnostic centre in Greater Manchester, providing rapid testing for people with vague symptoms that could indicate cancer.

Our staff aim to ensure the first diagnostic test is in seven days of a GP referral and, where possible, they are able to rule cancer in or out on the same day of testing. The Greater Manchester Cancer Alliance is funding the additional resources needed to run the service, which is led by consultant radiologist, a senior gastroenterology consultant, a new clinical nurse specialist, and a navigator.

We have joined Tameside and Glossop Integrated Care NHS Foundation Trust in partnership to deliver this new service for patients in Stockport and Tameside and Glossop.

New ultrasound scanner improves maternity care

Some of our midwives have had additional training to enable them to use a new scanner in our maternity unit and improve care for expectant parents.

The midwife ultrasound practitioners can now carry out scan on parents who are over 26 weeks in their pregnancy and raise concerns about the progress of their pregnancy during routine antenatal appointments.

In the past the patients would have been referred to a different department for the scans to be carried out and may have had to return to the hospital on a future date, but now the specially trained midwives can carry out the ultrasounds there and then.

We expect the midwives will use the new scanner to carry out around 2000 ultrasound scans a year.

Professional nurse advocates

Seven of our senior nurses were amongst the first in the country to be trained as professional nurse advocates (PNAs) to provide extra care and support for their colleagues.

PNAs are new roles introduced across the NHS in response to the additional stresses and challenges to wellbeing for nursing staff in the wake of the Covid-19 pandemic.

They work to support colleagues in both hospital and community services to develop their resilience, reflect on practice, and look after their own health and wellbeing during challenging times and workloads.

CURE team's £2m success

Our team that supports patients to stop smoking has not only improved the health of local people but also helped them to save over £2m.

That is how much the CURE team has calculated that the patients they have helped have saved from cutting tobacco from their lives since the service was set up in 2020. One in four people supported by the team have given up smoking for good and one of those is Mama Flo. Florence Brown-Coke, known locally as Mama Flo, owns the Jamaican restaurant of the same name on Buxton Road in Stockport, which has become a favourite of many Manchester celebrities and a big supporter of our staff during the pandemic.

Flo had experienced weeks of pain in her chest before she was admitted to Stepping Hill Hospital with an acute coronary syndrome. It was during her stay in hospital that the CURE team asked if Flo wanted help giving up smoking.

She said "I'd been smoking for many years, and I had tried to give up a few times but never succeeded. With the CURE team I'm much more confident, they are so good and so supportive, they really listen to what you have to say 100%, which is a big help. I've not smoked since and I'm going to carry on, and I've even convinced my daughter, grand-daughter and one of my customers to give up too!"

CURE is a Greater Manchester-wide project of comprehensive secondary care treatment for tobacco addiction. It ensures all active smokers admitted to hospital are immediately offered specialist support from the team, together with nicotine replacement therapy and other medications for the duration of their admission and after discharge too.

For more information on CURE visit <https://thecureproject.co.uk/> If you're interested in stopping smoking outside hospital and are registered with a Stockport GP, then visit <https://www.healthystockport.co.uk/topic/smoking>

Research

Our research and innovation team play an important role in furthering our understanding about a range of conditions, as well as informing new treatments.

They regularly recruit volunteers to take part in a range of regional, national and international research programmes and one of the initiatives they were involved in this year was a study into Respiratory Syncytial Virus (RSV), one of the world's leading causes for infants to be hospitalised.

Over the last year we saw an increase in cases of RSV, and as part of a study involving more than 20,000 infants from across the UK, France and Germany, our research team recruited several families with young children to evaluate the effectiveness of a particular immunisation.

Improved endoscopy service

Our clinical teams worked alongside colleagues from East Cheshire NHS Trust to introduce a new procedure to enhance treatment for patients with gastrointestinal conditions.

Previously the endoscopic ultrasound (EUS) procedure could only be carried out at Manchester University NHS Foundation Trust, but by clinicians from Stockport and Macclesfield working together patients can now be seen closer to home and waiting times have reduced.

EUS is a minimally invasive procedure used to assess conditions and diseases of the digestive tract and other nearby organs and tissues. It can be used to investigate gallstone disease, changes within the pancreas, and lumps and bumps found within the stomach and oesophagus.

The procedure allows clinicians to examine organs and other structures that cannot be seen through standard endoscopy procedures, as well as it creating more detailed and accurate images. It also offers an alternative to MRI scans for people who struggle with claustrophobia.

New keyhole surgery theatre

We invested in upgrading one of surgical theatres with state-of-the-art new robotic equipment, which is being used to treat around 1,000 patients a year.

The new laparoscopic or keyhole equipment allows surgical teams to carry out procedures using smaller incisions than conventional surgery, helping patients to recover more quickly. The equipment is mainly being used for patients needing bowel resection for conditions such as appendicitis, bowel cancer, rectal prolapsed, or Crohn's disease.

Improving hand and foot treatment

A new scanner is helping to diagnose and treat more than 500 patients a year with hand, wrist, foot and ankle problems.

The portable scanner, which produces high quality x-ray images to diagnose a range of conditions such as arthritis and fractures, can be used by consultants, freeing up radiographers for other work and helping to reduce waiting times for patients.

Cycle to work

As part of our commitment to sustainability we were delighted to receive £10,000 to help improve our cycle parking facilities for staff, patients and visitors to Stepping Hill Hospital.

The Active Travel Fund Cycle Parking grant from Transport for Greater Manchester paid for new covered cycle parking close to the hospital's main entrance.

Encouraging more cycling is part of our Green Plan to achieve a 75% cut in business travel emissions by 2030, and an overall reduction of greenhouse emissions by 85% by 2032. It is also hoped it will help alleviate some of the pressure on car parking facilities on the site.

Review of the Year - Awards

We are proud that the great work of our teams and colleagues is regularly recognised locally, regionally and nationally. Here are just a few examples of the awards they received over the last year:

Hospital catering

Our catering team at Stepping Hill Hospital has developed an enviable reputation for the quality of the food it provides for patient, visitors and staff, and they were recognised by a number of awards over the last year.

Catering manager Duncan O'Neil won the Hospital Catering of the Year trophy at the Public Sector Catering Awards and was also shortlisted for the overall Catering Manager of the Year award. At the same event Head Chef Nick Roberts was shortlisted in the Hospital Catering category and the team was shortlisted for the Team of the Year award.

Two members of the catering team were named NHS Chefs of the Year in a new nationwide competition organised by NHS England and NHS Improvement to celebrate the best in health service catering.

Assistant Head Chefs Erica Bell and Shelley Pearson-Smith competed against other teams on a number of menu challenges at the contest final with teams eliminated stage by stage 'Masterchef'- style.

Their winning menu of watercress soup with a poached egg, braised ox cheek, celeriac fondant and greens, and chocolate fondant with Chantilly cream, impressed the judges who were looking for flavour, innovation, nutritional value, affordability, and reducing the carbon footprint of ingredients.

The duo went on to cook their winning menu for patients at Stepping Hill, as well as featuring in a number of trade magazines. They also won praise from Prue Leith of the "Great British Bake Off", who said "So pleased to see that the NHS Chef 2022 trophy was won by two female chefs from Stockport's Stepping Hill hospital. Congratulations Erica Bell and Shelley Pearson-Smith."

Chief Nursing Officer Awards

A number of our colleagues were delighted to be recognised with new honours introduced nationally by the Chief Nursing Officer and Chief Midwifery Officer of NHS England.

Julie Anderson, a practice development facilitator in our learning and development team, received a Chief Nursing Officer Award for Healthcare Support Excellence for her dedication to her role helping support workers in our hospital and community services with their educational needs, as well as her work with the national healthcare support worker programme.

Community midwife Kristy Franklin received a Chief Midwifery Officer's Gold award for exceptional efforts caring for refugee mothers and mothers-to-be in Stockport, many of whom had suffered terrible traumas on their journeys to the country.

Divisional director for midwifery and nursing Sharon Hyde was presented with a Chief Midwifery Officer's Silver Award for her strong leadership of local midwifery services in both the hospital and the community, helping to introduce improved outcomes and enhanced standards of safety.

The peri-natal mental health midwifery team also each received a Silver Award for their innovative efforts supporting the wellbeing of expectant parents, including the encouragement of exercise, and engaging with partners through the Dad Matters group.

Deputy Finance Director of the Year

Our Finance Director Kay Wiss was named Deputy Finance Director of the Year in the national awards run by the Healthcare Financial Management Association.

Kay, who has worked in our finance team for 17 years, was recognised for helping to lead a positive culture in the department, making it one of a small group of trusts in the north west finance region to retain the highest level of accreditation from the Finance Leadership Council and NHS Skills Development Network.

She has also played a key role in furthering partnerships with other NHS finance departments across Greater Manchester, including helping to set up a Greater Manchester Deputy Director of Finance Group.

Domestic and porters awards

Three domestic and porter colleagues working at Stepping Hill Hospital were shortlisted for national awards that honoured outstanding service.

Tracy Boswell and Mike Mantle were shortlisted for the My Cleaning Awards while Denise Starr was shortlisted for the My Porter Awards, both hosted by GV Healthcare in association with NHS England, to recognise the best in healthcare support across the country.

Mike Mantle was recognised in the Domestic of the Year category for his work on our acute frailty unit. Tracy Boswell, cleanliness training and monitoring officer, was shortlisted for the Auditor of the Year award for her work in introducing new cleaning monitoring systems across the hospital, while Denise Star, portering administrator, was shortlisted for the Dennis Southern Lifetime Achievement award in recognition of the 20 years she has dedicated to helping to organise the busy daily schedule of porters across Stepping Hill Hospital.

British Data Awards

Our human resources team was highly commended in the British Data Awards for its implementation of a new IT workforce system.

The more user friendly system gives clinical teams easier access to HR information, freeing up HR colleagues to work on other areas of improvement.

Health Service Journal Awards

Our teams were shortlisted for three prestigious national awards for improving patient safety thanks to effective partnership working.

They reached the finals of the Health Service Journal (HSJ) Patient Safety Awards for innovations in improving ambulance turnover times, and new support for patients with suspected delirium and mental health needs.

Our emergency department was shortlisted in the Quality Improvement Initiative of the Year category for opening a new rapid assessment unit (RAU) and working together with the North West Ambulance Service to reduce ambulance queuing.

Working in partnership with Pennine Care NHS Foundation Trust, Stockport crisis response team and mental health liaison team developed a new person centred approach to supporting people with suspected delirium. This was recognised with a shortlisting for the Deteriorating Patient and Rapid Response Initiative of the Year Award.

Another initiative with Pennine Care NHS Foundation resulted in recognition in the Best Use of Integrated Care and Partnership Working in Patient Safety category. We

worked together to improve the quality and delivery of mental health services for patients and wellbeing support for staff. This included targeted training courses for emergency department staff and wards, the introduction of a mental health first aider support network for staff across the Trust, psychosocial wellbeing support and activities for staff, and a new mental health risk assessment tool for patients presenting at the emergency department.

Clinical coding award

Our clinical coding team carried off the Clinical Coding and Data Quality Award for Acute NHS Trusts 2022' category at the CHKS Data Quality Awards run by Capita Healthcare Decisions.

The national award recognises the importance of data quality and accurate clinical coding, and the essential roles they play in improving the quality of patient care.

Around 20 staff based at Stepping Hill Hospital manage our clinical coding and they have improved on already high standards by engaging with clinicians on the importance of importance of good documentation and working more collaboratively to develop data reports.

Outstanding learner support

Ward D5 at Stepping Hill Hospital ward was shortlisted for the Placement of the Year honour in the national Student Nursing Times Awards.

The elective surgical ward was nominated for the top award in recognition of their excellent support for placement students and learners with the support of our practice educational facilitator team.

Placement nursing students on the ward include those from the University of Manchester, The University of Salford, Manchester Metropolitan University and the University of Bolton, as well as multi-professional healthcare cadets in partnership with the Trafford College group.

These students have consistently praised the ward team for its 'wonderful and compassionate' support, and its teaching model is now being replicated across the Trust.

Public Health Nurse of the Year

Health visitor Sara Jackson was shortlisted for the national title of Public Health Nurse of the Year for her outstanding support for local children.

She was nominated in the British Journal of Nursing Awards 2023, which celebrate the best in nursing care from across the country, for her leadership, guidance, expertise, oversight and knowledge of the local area and families she supports.

Sara has been in nursing for over 25 years, and has been a member of the Stockport NHS community team for the last six years. She is the Start Well Team Leader for Brinnington and Marple, providing community-based NHS healthcare for local children and young people.

She provides leadership for health visitors and Start Well colleagues working in the Stockport Family Service, while working closely in partnership Stockport Council, schools, colleges, early years' settings, and other groups to help provide high quality support for vulnerable children and young people.

Safeguarding Star

Stockport NHS school nurse Anne-Marie Collogly was named as a Safeguarding Star in national recognition for her excellent performance in providing safeguarding training for colleagues.

She was presented with the new national award by national safeguarding lead Cath Randall, National Associate Director of Safeguarding for NHS England, and Sharon White, Chief Executive Officer of the School and Public Health Nurses Association.

Anne-Marie has been with our school nursing team for over 14 years. She regularly delivers training for her health colleagues so that they can maintain the highest standards of promoting the welfare of children and protecting them from harm.

On behalf of SAPHNA she also provided the Care Quality Commission's inspectorate team with a special training session which demonstrated these high standards that are now being shared with NHS colleagues at both a regional and national level as best practice to follow.

Joint registry award

Stepping Hill Hospital received national recognition for its commitment to patient safety in joint replacement surgery.

We were named as a National Joint Registry (NJR) Quality Data Provider after successfully completing a national programme of local data audits.

The NJR monitors the performance of hip, knee, ankle, elbow and shoulder joint replacement operations to improve clinical outcomes primarily for the benefit of patients, but also to support orthopaedic clinicians and industry manufacturers.

The NJR Quality Data Provider certificate scheme was introduced to offer hospitals a blueprint for reaching high quality standards relating to patient safety and to reward those who have met registry targets.

Stepping Hill Hospital helped develop the NJR Data Quality Audit when it was first piloted several years ago, and has been a Quality Data Provider for the six consecutive years since official certification began.

To achieve the award, hospitals are required to meet a series of six ambitious targets, including compliance with the NJR's mandatory national audit aimed at assessing data completeness and quality within the registry.

Research awards

Our research and innovation team were shortlisted for two awards celebrating the best clinical research in the region.

The team working on the 'COV-BOOST' coronavirus vaccination booster research study, and clinical research nurse Clare Tibke were finalists in the NIHR Greater Manchester Health and Care Research Awards.

Clare was shortlisted in the Exceptional Research Delivery Leadership category for her work on expanding research studies in our stroke department, while the 'COV-BOOST' research vaccine team, headed by Dr David Baxter, was a finalist for the Collaborative Working Accomplishment Award. The COV-BOOST study was a vital part of the national vaccine booster programme.

Long service awards

After a number of years without face-to-face awards we were delighted to hold two major events to celebrate the long service of many of our colleagues.

Combined NHS service of more than 5000 years was celebrated when around 250 colleagues who had each served at least 20, 30 or even 40 years, came together at Stockport County's Edgeley Park ground for the celebratory events.

They were thanked for their dedication by Chief Executive Karen James OBE, and Chair Professor Tony Warne, who presented certificates, commemorative badges and shopping vouchers to long serving colleagues.

Top Chief Executive

The Trust's Chief Executive, Karen James OBE was named as one of the top 50 Chief Executives in the NHS by the Health Service Journal.

The judges listed Karen as one of the top leaders after assessing the performance of all NHS chief executives and their organisations over the past year, as well as the contribution CEOs had made to the wider health and social care system.

Karen has been in the post since 2020 and has also held the same position at Tameside and Glossop Integrated Care NHS Foundation Trust since 2014.

She said: “I am enormously proud to hold the position of chief executive at Stockport FT and Tameside and Glossop ICFT, and this nomination is on behalf of the entire workforce.

“Our commitment to providing exceptional patient care, both at the acute hospitals and in the communities we serve has been recognised by some of the leading figures in the NHS.

“I would also like to pay tribute to other colleagues on the list for their commitment to the NHS during an especially challenging period.”

Making a Difference Awards

After years of not being able to celebrate the successes of our colleagues face-to-face we held a major awards event at Stockport Town Hall.

The annual Making A Difference Ever Day Awards are open to all staff to be nominated for a number of categories, and the event also recognised the contribution that our volunteers and charity supporters make to our hospital and community services.

Supported by the Trust’s charity and a range of external sponsors, the awards evening was hosted by BBC Health Correspondent Dominic Hughes, and was presented by Chief Executive Karen James OBE and Chair Professor Tony Warne, as well as Nav Mishra, MP for Stockport and many of the sponsors.

Finalists for the awards were nominated by colleagues, patients and members of the public and the winners were:

- Volunteer of the Year - Carl Lester and Norma Duggan;
- Rising Star - Hannah Christey, waiting list officer;
- Fundraisers of the Year - Derek Farndell, Dave Jones, and Stockport County FC;
- Inspirational Leader - Philippa Hamblett, Treehouse children’s ward manager;
- Unsung hero (non-clinical) - Karen Procter, Estates administrator;
- Unsung hero (clinical) - Catherine Moffatt, staff nurse, Jasmine Ward;
- Improvement, Innovation and Efficiency - Crisis response team;
- Partnership working - Fran Jackson, school nursing lead;
- Patient’s Choice - Abigail Lathrope, student midwife;
- Clinical Team of the Year - Pelvic Health physiotherapy team;
- Non-clinical team of the Year - Single Point of Access team.

A special award was given at the end of the ceremony to Ross Harrison, an electrical maintenance engineer, who saved the life of the member of the public after using lifesaving skills he had voluntarily learned at work.

Review of the year – Trust Charity

The Trust's charity plays an important role in funding equipment and support for our patients and staff over and above what can be provided by NHS funding. Here are just some of the activities our charity was involved in over the last year. You can find out more or donate by going to our charity page on the Trust's website at www.stockport.nhs.uk

Platinum Jubilee celebrations

The charity regularly supports events and activities in our hospital and community services, such as the Queen's Platinum Jubilee.

To mark the national event Chief Executive Karen James OBE planted a new tree outside the hospital's main entrance as part of the national plant a tree for the Jubilee programme.

Wards celebrated with a variety of colourful decorations and art activities, and images of Queen Elizabeth II at various points during her reign were displayed on the hospital's main glass corridor. Bunting decked the halls of the entrances and restaurant, and a colourful light showing the jubilee symbol was lit up on a hospital exterior wall at night.

Our catering team organised an array of tasty treats for inpatients, and staff were treated to a barbecue, and afternoon tea and scones. Older patients who were born in the hospital around the time of the coronation shared their stories with others on the wards, while the parents of new born babies born on the anniversary day received special commemorative Jubilee baby-grows.

The charity will also be at the heart of hospital and community services' celebrations to mark the 75th anniversary of the NHS in 2023 with a week of dedicated activities planned around the celebrations on 5 July.

Derek rides out

The charity could not support our hospital and community services in the way that it does without the many individuals and organisations that kindly raise or donate money. Derek Farndell is one of our regular supporters and we thanked him for his ongoing efforts at our Making A Difference Everyday Awards event. The 71-year-old has undertaken several epic sponsored bike journeys in recent years in support of the charity, and the latest was around the canal ways of Cheshire.

Derek tackled the Cheshire Ring, a circular 96 mile route following Cheshire's canals to thank hospital staff for the care they gave him six years ago, when he was severely

ill in intensive care. Previous cycling routes have taken in London, Scotland, Wales, Dorset, Lincolnshire and Coventry.

Circus showcase

Our charity got a funding boost when the circus came to town thanks to Bramhall and Woodford Rotary Club.

The club organised the National Festival Circus to entertain locals, with all proceeds going to the charity. Acts included a contortionist, slapstick clowns, foot jugglers and heavyweight jugglers, with another juggler all the way from Ecuador.

Over the last year the club has raised over £3,000 for the charity, most of which was from the proceeds of the circus event, and the donations have gone towards the planned refurbishment of the parents' room at the Treehouse children's unit at Stepping Hill Hospital.

The partnership with Bramhall and Woodford Rotary Club is just one of the relationships with local organisations and businesses that the charity is fostering over the coming year. Working closely with local groups, organisations and businesses is a key element of our strategy to raise the profile of the charity during 2023, and unlock new opportunities for fundraising to support our patients, staff and services.

Make a will month

The Trust's charity designated October 2022 as Make A Will Month to encourage local people to think about who they want to support after they are gone.

The campaign encouraged local people making their wills to think about leaving a gift to the charity to help improve services for local people, and it reminded them of some of the ways the charity has had an impact in recent year. This included buying an enhanced CT scanner, creating a relaxing and nurturing therapeutic garden for patients recovering from a stroke, and buying a specialist hoist for children with severe disabilities and complex life limiting illnesses at the Swanbourne House respite centre. We are building on the success of this initiative during 2023 with plans for the launch of a legacy campaign during the NHS' 75th anniversary celebrations.

Music fundraiser

The charity welcomes all donations, however small, but this year's biggest fundraising event was thanks to the generosity of Imelda Mounfield and her husband Mani, the bass-player in the Stone Roses.

The couple hosted a sell-out musical extravaganza introduced by Greater Manchester Mayor Andy Burham at The Kimpton Clocktower Hotel Ballroom in November 2022, including an auction of amazing memorabilia from music stars and celebrities.

All the proceeds from the high profile event were shared by our charity and The Christie charity as a thank-you from the couple for the cancer treatment Imelda has received from our teams at Stepping Hill Hospital and colleagues at The Christie Hospital.

Donations to the auction included David Beckham`s signed football boots worn at his last ever match for PSG in May 2013; John Squire`s hand-painted and signed Hofner guitar; a Stone Roses gold disc, Noel Gallagher`s personal 6 x Platinum `What`s the Story Morning Glory` album presentation framed discs, signed discs from Johnny Marr, guitars from the Foo Fighters, The Who and Peter Hook; and Liam Gallagher`s personal NME Gold award.

Hosted by musician, writer and broadcaster John Robb, the event also featured DJ sets from Mani, Clint Boon and Luke Una; live performances from Rowetta, Danielle Moore (Crazy P), and the Tall Faces, alongside live art from Manchester`s [Art Battle](#), and a raffle featuring prizes donated by bands, footballers, actors, venues and promoters.

Safe haven

Funding from the charity paid for a makeover of the chaplaincy and spiritual care haven area Stepping Hill Hospital`s chapel.

Thanks to generous donations and fundraisers the haven now has a homely and comfortable new look, complete with new furniture to provide a peaceful and pleasant reflective space for patients, their families and our staff.

PERFORMANCE REPORT

Performance Overview

The purpose of the overview is to provide a summary of Stockport NHS Foundation Trust, its purpose, the key risks to the achievement of its objectives, and how the organisation has performed during the year.

Chief Executive's statement

Few of us could have imagined that we would continue to feel the effects of the Covid-19 pandemic two years on from the first patients being admitted to our wards, but its impact has continued to be felt by the NHS, locally and nationally, during 2022-23.

The success of the Covid-19 vaccination programme has undoubtedly enabled most of us to return to a normal life, but the population of Great Manchester (GM) and Stockport continued to see relatively high levels of the infection over the last year. At times this had a serious impact not only on patients using our services, but also on the number of staff we had available to care for them.

As we returned to a largely pre-pandemic way of life and people started to mix again, we also saw an increasing level of other infections in the local population. Over the winter we cared for high numbers of people suffering from influenza as well as children with RSV (Respiratory Syncytial Virus), one of the world's leading causes of infants being hospitalised.

As well as coping with the demands of these illnesses, we worked hard with partners across GM and the North West to restore services and address the long periods of time many local people were waiting for diagnostic tests and treatments delayed as a result of the pandemic. Our teams made huge efforts to treat those people who had waited over 102 and 78 weeks for planned care, and they are now working hard to reduce the number of people who have waited more than 65 weeks for tests and treatment.

Planned care that require a patient to stay overnight in hospital rely on there being enough inpatient beds and staff available to care for them. The relatively high levels of Covid-19, flu and RSV all had an impact on bed availability, and over the last year bed occupancy levels at Stepping Hill Hospital remained consistently high at around 95%, compared to the best practice standard of 85%.

Other factors that influence bed availability are the level of demand for emergency and urgent care, and how quickly we can discharge someone once they no longer need hospital care. Both these factors affected our services over the last year.

The level of demand for emergency and urgent care was almost 7% higher than we planned for in 2022-23. Prior to the pandemic our A&E team rarely saw more than 300 patients a day, but that level of demand is now common place despite the department not being built to cope with such a large number of people.

The development of a new emergency and urgent care campus (*see service developments*) will undoubtedly provide a much better environment for patients and staff once it opens next year, but in the meantime our A&E team has worked tirelessly to meet the increased demand for care in a timely and safe manner.

In line with other such departments across the country, our A&E does not consistently meet the 95% level for the national four hour standard, but it continued to be one of the top performers in GM. It also continued to perform well in ambulance turnaround times, which is so important to ensure patients get the timely care they need when they call an ambulance. Going forward A&E departments will be expected to achieve the four hour standard in at least 76% of the time, in acknowledgement of the impact that Covid-19 continues to have on services.

Often our ability to quickly admit someone into hospital from our emergency and urgent care service is limited by the beds we have available. Across the NHS the prompt discharge of people who no longer need acute hospital care is an issue faced by many trusts, but it is particularly challenging for the Stockport health and care system due to the relatively high number of elderly people in our population who are living longer, often with a range of complex issues. They may need a package of care to be able to return home, or a move to an alternative facility to continue their recovery.

Over the last year we have continued to see rising numbers of patients in this position, and we regularly have around 100 patients in Stepping Hill Hospital from Stockport and the surrounding areas who no longer need acute care.

Our hospital and community services work closely with our social care and nursing home colleagues on a daily basis to try to ensure patients are discharged promptly, but our partners have had their own challenges over the last year. Like us they saw the impact of Covid-19 and other infections on the availability of nursing home places, and they also struggled to recruit and retain enough staff to care for residents.

We continue to work with our partners to address these issues on a daily basis for individual patients, as well as working on medium to long term plans to improve the situation across the Stockport health and care system.

Despite the pressure on our bed availability, our hospital and community services continued to work hard over the last year on prioritising the care of those patients who need our services the most, whether that was through partnerships with other trusts across GM to offer long awaited surgery at other sites, or investing in our own services

and staff to continue to provide good safe care.

Our investment in expanding our endoscopy capacity (*see service improvements*) has undoubtedly helped to improve diagnostic waiting times, something that was particularly badly affected by the pandemic, and over the last year our teams worked hard to big improvements against the national six week diagnostic standard.

We were also amongst the best performing in GM for seeing patients with suspected cancer within two weeks of a GP referral and then diagnosing them within 28 days – both very important standards for patients anxiously waiting for test results. This performance against key standards aimed at improving the care of patients with cancer was particularly impressive as our services saw a 22.3% increase in referrals for suspected cancer over the last year.

Colleagues in our hospital and community services, clinical and non-clinical roles, never fail to impress me with the way they rise to the challenges facing our services. They should be admired and celebrated for the dedication and commitment they have demonstrated in facing all the demands we have managed over the last year, despite the huge personal impact of the pandemic on many of our teams and individuals.

Previous national action by nursing and other staff did not impact on our Trust as badly as some organisations, however that was not the case with the junior doctors. This dispute was between the BMA and the Government, and while we supported our colleagues rights to take industrial action our first priority had to be ensuring we could continue to provide safe care. We did that thanks to the efforts of everyone in the Trust, including through the careful planning of medical staffing and commitment of senior clinicians to cover for their junior colleagues taking industrial action. While we had to cancel some outpatient appointments and planned inpatient procedures, the patients most in need were prioritised and received the care they required.

Industrial action during 2022-23 undoubtedly had an impact on our plans to recover services affected by the pandemic, as well as meet the increased demand for planned care. The effects of the industrial action are likely to be felt for some time during 2023-24 as we reschedule the appointments and planned treatments that had to be paused.

To provide good quality care and deliver on our future ambitions for the health of local people, we need to have the right number of staff with the right skills and experience, and to attract and retain colleagues we need to do all we can to support them and make Stockport FT a great place to work.

Despite the many pressures on health staff, it was good to see the results of our latest annual NHS staff survey (*see Staff report*). In the previous year's survey we were one of just a handful of organisations across the country to maintain colleagues' positive views of the Trust as a place to work, so it was pleasing to see that level of staff morale

holding up in the latest survey. Colleagues were particularly positive about the efforts we have made to support them with a range of flexible working opportunities as part of our approach to recruitment and retention.

There is still more we can do to improve the working lives of our colleagues, but we know how much they have appreciated the efforts we continue to make to support them and celebrate their efforts. Over the last year we have invested in a range of health and wellbeing initiatives including a psychological support service, mental health first aiders, menopause support, long service awards, the Making a Difference Everyday awards (see *awards section*) and the hugely popular Foodie Fridays.

While we can do little to address their pay, which is set nationally, we will continue to work with and listen to our colleagues about the developments and changes we can make to improve their lives at work and support them in all they do to care for local people.

When I ask colleagues what would most improve their working lives they invariably say “employ more staff”, and over the last year we have continued to invest in our workforce to cope with increased demand and fill vacancies. This has included recruiting 113 international nurses, regular recruitment events to sign up local nurses, nursing students and health care assistants; successfully attracting clinicians to often hard to fill roles and investing in our future workforce through building strong relationships with local colleges and universities and supporting successful programmes, such as the trainee nurse associates and allied health professional apprenticeships.

It is increasingly apparent that the challenges that face our local health and care system – increasing demand, limited resources including availability of skilled staff, and our joint aims to improve the overall health of the populations we serve – cannot be tackled alone. It is only by working in partnership with statutory and third sector organisations across the area we serve that we can hope to achieve our ambitions for the health of local people.

We welcomed the introduction of the Health and Care Act 2022 and the resulting creation of integrated care systems and Place-based systems across the country during the last year. This new architecture was designed to support greater collaboration across organisations to enable health and care systems, including statutory and third sector partners, to work together to address the needs of local communities.

These new systems are still in the relatively early days of their development, but over the last year we have played our part in helping to shape how they will work going forward and we are committed to continuing to be active and positive partners in delivering our joint improvement plans through these new ways of work. The Place

arrangements for Stockport are built on the strong partnerships that were already established across health, care and other organisations, and looking forward to 2023-24 I am excited to see how the system will continue to develop to deliver our shared ambitions around tackling health inequalities and improving the overall health of the populations we serve.

As the Chief Executive of both Stockport FT and Tameside and Glossop Integrated Care NHS Foundation Trust (T&G ICFT), I have been delighted to see greater collaboration between the two organisations continue to develop over the last 12 months. We now have a number of joint Board appointments (*see Board of Directors section*) and individual departments in both organisations now regularly work together sharing learning, knowledge, skills and at times, capacity.

The collaboration between the two trusts has grown organically over the last two years, with us taking opportunities to work together as they have arisen, and in recent months the Boards of both organisations agreed a set of collaborative principles that will help to shape future collaboration between Stockport FT and T&G ICFT.

But our collaborative efforts are not just limited to our work with T&G ICFT. Over the last 12 months we have continued to work with our other near neighbours – East Cheshire NHS Trust – on exploring ways that we can together sustain and improve local services. Clinicians from a range of specialist services in both organisations have worked together looking at the challenges they face and thinking about how they may be able to jointly overcome some of those issues.

We already have some great examples of how collaboration has improved services for both our populations (*see service developments*) and during 2023-24 we look forward to continuing to work with East Cheshire colleagues to design possible solutions to the issues we face and using feedback from our patients to shape how services may work together in the future.

To be able provide good quality care – either as a single organisation or in partnership with others – we need the resources to meet local needs, whether that is the right number of skilled staff, the right environment in which to provide services, or sufficient funding to pay for staff, equipment, medication and more.

For 2022-23 a new financial regime was introduced in the NHS based on funding for the integrated care system, and as you will see in the financial section of this report we achieved our financial plan for the year. However, going into 2023-24 the financial position for GM is very challenging, and at the time of writing this report we were working closely with partners across the system to develop realistic and robust individual and joint financial plans that reflect the resource challenges we have in GM, as well as our responsibilities to maintain safe care for local people.

We must not underestimate how challenging the financial position is for GM and us, as a partner in the integrated care system, but we remain committed to, wherever possible, continuing to invest in the development of our services, not just to maintain safe care but also to move forward with our improvement plans.

During 2022-23 we delivered a capital programme of over £40m, which included starting work on our new emergency and urgent care campus, improvements to our endoscopy suite, and investment in new equipment. For 2023-24 we have secured funding for further capital investments, including completing the emergency and urgent care campus, delivering a much needed electronic patient record, creating extra ward space on the Stepping Hill Hospital site, and developing an aseptic unit for GM at the hospital.

Our ageing hospital estate means that it is important we continue to invest in the backlog of maintenance so patients can be cared for in safe environments. However, we know that Stepping Hill Hospital will never meet the requirements of modern health services, so over the last year we have continued to work on our exciting medium to long term plans for the development of a new digitally enabled hospital alongside the creation of community hubs.

Whilst we were unsuccessful in our bid to the Governments' New Hospital Programme, we continue to explore other options to fund a development that could provide a modern hospital local people deserve, create a great environment for our colleagues to work in, and make a significant contribution to the ongoing regeneration of Stockport.

Stockport NHS Foundation Trust is no different to many other NHS organisations across the country in the challenges we have faced over the last year and continue to face in 2023-24. However, this annual report demonstrates how we are taking robust action to address those challenges, often in partnership with others, to ensure that local people can continue to receive good care from the hospital and community services of which I am so proud.



Karen James OBE
Chief Executive
27th June 2023

The Trust

Stockport NHS Foundation Trust was formed on 1 April 2004, pursuant to Section 6 of the Health and Social Care (Community Health and Standards) Act 2003. As one of the first NHS Foundation Trusts in England, the organisation provides:

- acute hospital services from Stepping Hill Hospital in Stockport predominately for the population of Stockport and the High Peak area of Derbyshire
- community services for the people of Stockport.

We employ around 6,300 staff, working in our hospital and in our community services to support people in their own homes. Our main sites are:

- Stepping Hill Hospital,
- The Meadows,
- Bluebell,
- Swanbourne Gardens,
- The Devonshire Centre

We are licensed to provide the following mandatory services:

Anaesthetics	Neurosurgery
Community services	Obstetrics
Emergency and urgent care	Ophthalmology
Ear, nose and throat	Oral surgery
General medicine	Orthodontics
General surgery	Paediatrics
Genito-urinary medicine	Rehabilitation medicine
Gynaecology	Rheumatology
Haematology	Trauma & orthopaedics
Medical oncology	Urology
Neurology	

We deliver these services via five divisions, each led by a triumvirate made up of an Divisional Director, Associate Medical Director (AMD), and an Associate Director of Nursing (ADN):

- Integrated Care
- Medicine & Emergency Care
- Surgery
- Women & Children's
- Clinical Support Services

Each of the divisions are supported by a number of corporate services, including:

- Corporate nursing,
- Communications,
- Estates and facilities,
- Digital,
- Finance,
- Procurement,
- Strategy & planning,
- People & organisational development.

During 2019-20 we completed a major refresh of our strategy, which sets out our vision for our medium-term future as well as our aims and aspiration to support the development of the local and regional health and care system. Our strategic priorities and objectives were developed and informed through engagement and listening exercises with our staff and stakeholders. Albeit developed within a significantly different operating environment, including the legal establishment of Integrated Care Systems (ICS), the strategy recognises the importance of working with others to achieve goals in the wider local and national context. The Trust is a key partner within the Greater Manchester Integrated Care System and within the place-based arrangements of the Stockport locality. Annual corporate objectives were approved by the Board in May 2022 to operationalise the Trust Strategy.

Our strategic objectives are:

- To be a great place to work
- Always learning, continually improving
- Helping people to live their best lives
- Investing for the future by using our resources well,
- Working with others for our patients and communities.

Our corporate objectives for 2022-23 were:

- To deliver safe, accessible and personalised services for those we care for
- Support the health and well-being of our communities and staff
- Develop effective partnerships to address health and wellbeing inequalities
- Drive service improvement, through high quality research, innovation and transformation
- Develop a diverse, capable and motivated workforce to meet future service and user needs
- Use our resources in an efficient and effective manner
- Develop our estate and digital infrastructure to meet service and user need

The Trust values and behaviours, developed via a major programme of engagement with our staff, underpin the successful delivery of our strategy. Our values are – We Care, We Respect, We Listen.

Key risks to delivering our objectives

The Board identifies its corporate objectives and associated principal risks in a Board Assurance Framework (BAF). The BAF is a key tool through which strategic risk to the achievement of the corporate objectives, that have been agreed by the Board, are managed and mitigated.

Principal risks to the delivery of the Trust's corporate objectives 2022-23 were approved by the Board of Directors and subsequently assigned to a relevant Board Committee for oversight throughout the year, with holistic quarterly review of the BAF via Board of Directors. In addition, the Trust's significant risk register was considered to ensure triangulation between operational and principal risks.

During 2022-23, the Board identified its significant principal risks as those relating to:

Patient flow

With increased attendances and timely access to domicile and community care proving extremely challenging, bed occupancy levels exceeded limits for effective patient flow throughout the year. This adversely impacted urgent care performance and restoration of elective activity. The number of patients with 'no reason to reside' was significantly more than the previous year, with notable challenges in the number of patients from outside the Stockport locality. The Trust implemented a 'Programme of Flow' including regular multi-disciplinary team and long length of stay reviews, alongside a system wide Urgent Care Board with oversight of patient flow management plans. The system wide response will continue to develop during 2023-24.

Recruitment, retention and wellbeing of staff

Ensuring there are sufficient staff with the appropriate skills and experience is an ongoing challenge for many NHS organisations, and it is a risk that continued to concern the Board of Directors during 2022-23.

Whilst a positive trend in retention and vacancies were evidenced in year, the Trust was unable to achieve its target levels and bank and agency costs remained static. Safe staffing levels continued to be monitored closely and reported regularly to the Board of Directors.

Notwithstanding the broad range of initiatives in place to support our people, it was acknowledged that external influences and third-party actions, alongside the significant operational pressures presented a significant risk to the health and wellbeing of colleagues.

Delivery of the agreed 2022-23 financial position and development of a multi-year financial recovery plan to secure financial sustainability

The Board of Directors established and comprehensively monitored delivery of the annual financial plan, agreed as part of the Greater Manchester Integrated Care System (GM ICS), throughout 2022-23. Achieving the financial plan was particularly challenging due to escalation beds remaining open beyond the planned winter period, continued growth in Emergency Department attendances and additional inflationary pressures, with the year-end position supported by system funding. The risk to future financial sustainability was also recognised as significant risk. Internal review of the key data sources impacting financial sustainability continued, alongside engagement with the GM ICS regarding system financial planning.

Going concern

Stockport NHS Foundation Trust has prepared its Annual Accounts on a going concern basis.

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

Performance analysis

The Board of Directors approves a set of key outcome measures to monitor performance and ensure delivery of its annual plan, agreed as part of the Greater Manchester Integrated Care System (GM ICS), and the Trust's associated corporate objectives. These measures include those set internally by the Trust, as well as regional and national standards. Data detailing performance against the metrics is consolidated into a comprehensive Integrated Performance Report (IPR), which is regularly reviewed by the Board of Directors. The IPR is grouped under the following domains:

- operational performance
- quality performance
- people performance
- financial performance

The IPR incorporates key quality, operational, workforce and financial metrics, and includes a qualitative narrative highlighting variation. Statistical Process Control (SPC) charts are included where possible to show position and trend against performance forecasts. Triangulated information informs Board and Board level committee discussion and decision-making in relation to improved performance.

The IPR is supplemented by a suite of assurance reports presented to the Board of Directors, alongside progress with respect to key strategic developments.

Operational Performance

The Covid-19 pandemic continued to influence our elective and non-elective services in 2022-23. From the start of 2022, the most significant impact of the high Covid-19 infection rate was on general & acute bed capacity. Flow out of the Emergency Department, as well as our elective programme, were adversely impacted, especially over the winter period. The infection rate also directly affected our community capacity, both in terms of our ability to discharge patients to care home beds and also provision from community providers.

Metric	Standard	Q1	Q2	Q3	Q4	2022-23
Referral to Treatment: Incomplete pathways %	92%	53.2%	49.4%	49.5%	48.3%	-
Referral to Treatment: Incomplete waiting list size	-	43,175	44,751	44,328	46,898	-
Referral to Treatment: Patients waiting 78+ weeks	-	849	667	743	187	-
Referral to Treatment: Patients waiting 104+ weeks	-	37	19	15	13	-
Cancer: 62-day standard	85%	64.1%	65.7%	71.9%	63.9%	66.7%
Cancer: 28-day standard	75%	60.4%	63.4%	66%	69%	64.7%
Cancer: 14-day standard	93%	94.9%	97.6%	98.5%	97.5%	97.1%
Diagnostics: Procedures waiting over 6 weeks %	1%	21.5%	21%	21%	12.8%	-

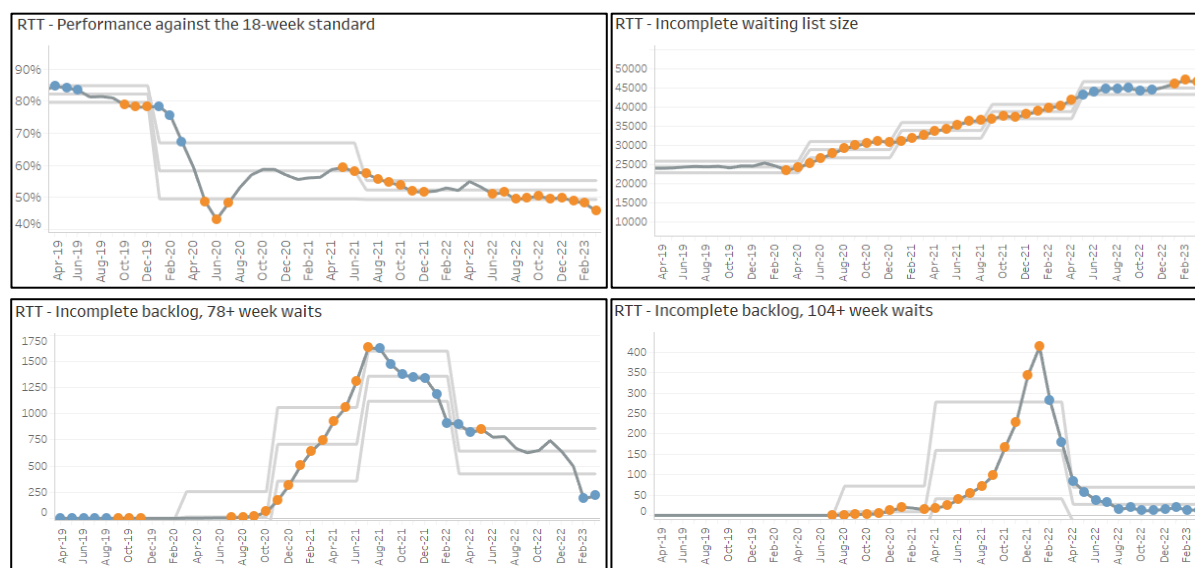
Emergency Department: 4-hour standard	95%	62.9%	60.9%	55.3%	60%	59.8%
Emergency Department: Attendances in department	-	29,097	27,371	28,763	25,615	110,846
Patient Initiated Follow Up (PIFU): Patients transferred to PIFU OWL %	-	2.2%	3.9%	3.8%	3.4%	3.3%
Advice and guidance responses %	-	11.3%	12.1%	12.2%	13.5%	12.3%

In line with national guidance, we worked closely with independent sector providers, our Greater Manchester (GM) neighbouring Trusts and specialist Trusts, like the Christie, to ensure patients requiring urgent or cancer treatment were prioritised.

To ensure the safety of patients whose treatment had been delayed by the pandemic, the Trust continued to ensure compliance with national guidance regarding prioritisation for treatment. Over the past 12 months we focused on treating those patients who had been waiting up to 104+ weeks, followed by those waiting 78+ weeks.

Referral to Treatment

The Trust last achieved the national referral to treatment standard in April 2019, with the pandemic and the curtailment of most of the elective activity having a significant impact on performance and number of people waiting for treatment. During 2022-23, increasing demand for urgent & emergency care, infection rates and continual increase in referrals, provided further challenge to our elective recovery. Our position was impacted further by the British Medical Association (BMA) industrial action in March 2023 which resulted in cancellation of outpatient appointments and elective activity.

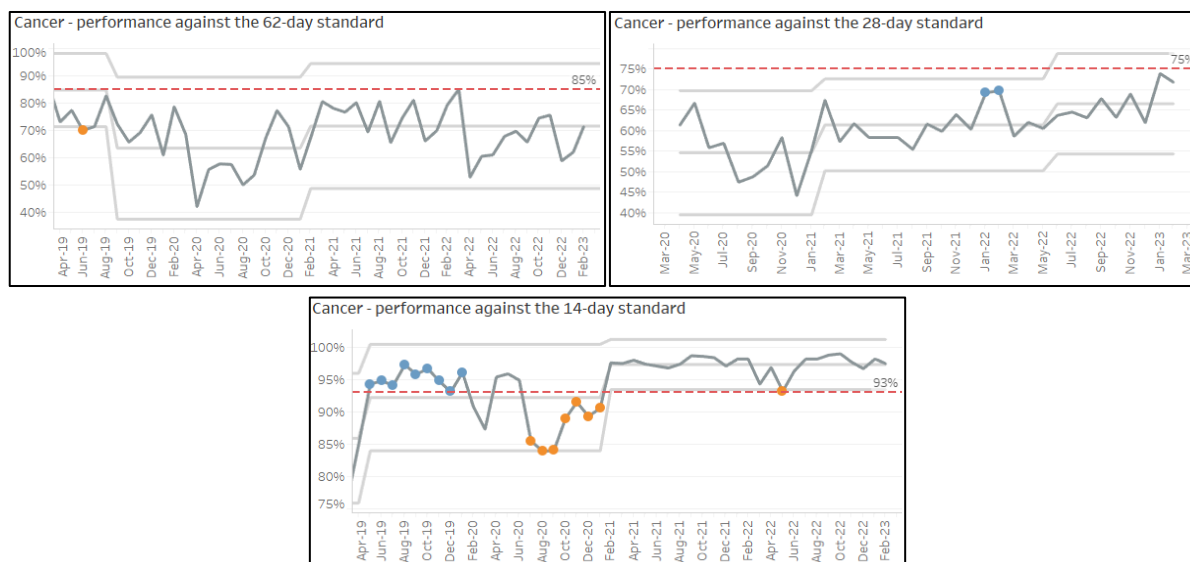


In line with the national expectation, at the end of March 2023, all patients waiting over 104 weeks had either chosen to wait or were not well enough to receive treatment. This equates with around 160 patients waiting over 78 weeks.

The Trust continued to maximise independent sector capacity as part of the Greater Manchester (GM) contract and is continuing to do so in 2023-24, with focus on reducing

the number of patients waiting 65+ weeks for treatment. Mutual aid from the Christie for cancer patients in urology and colorectal was also utilised.

Cancer Performance



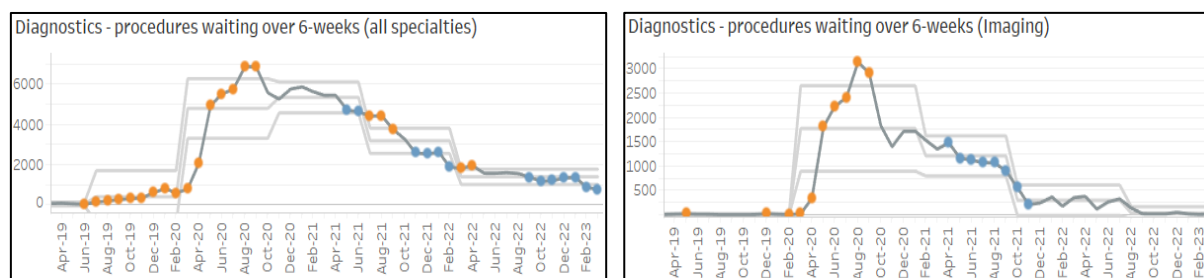
Cancer performance against the 62-day standard did improve during the year, reporting 72% in March 2023. Improved performance against the 28-day faster diagnosis standard was also delivered, with the Trust achieving 72% against the 75% standard in March 2023.

The Trust continued to perform strongly against the 2 week wait cancer standard with an over 93% compliance in February 2023.

The Trust was recognised within GM for its ability to utilise capacity at the Christie for Urology and General Surgical cases.

Diagnostic Performance

The Trust performance against the 6 week diagnostic standard improved in 2022-23 with imaging modalities achieving compliance with national access standards for the majority of the year. Challenges were seen in endoscopy and echocardiology with demand outstripping capacity.



To address the capacity issues in endoscopy we saw significant investment in the service and an additional endoscopy

suite opened in early 2023. The Trust continues to work with independent sector providers to address the backlog and additional gastroenterologists and a nurse endoscopist joined the team in year.

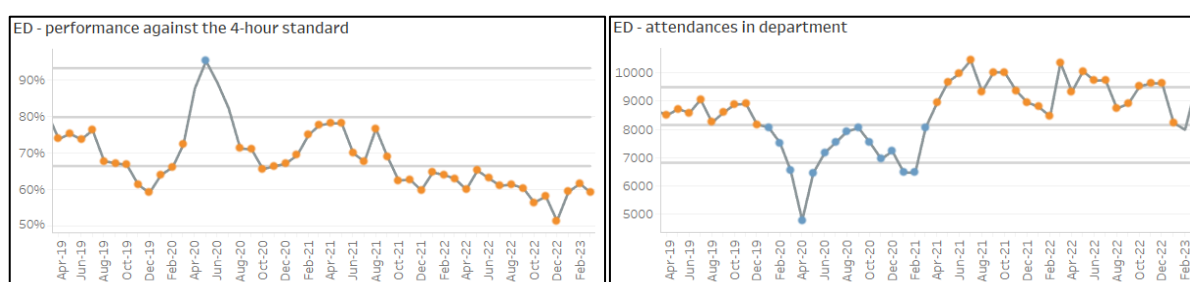
The highest area of backlog was echocardiology, with a significant increase in referrals coupled with lack of physical space contributing to a growing waiting list. An identified estates solution and recruitment to additional workforce will create additional capacity in 2023-24.

4 Hour Emergency Department Standard

Although attendances to the Emergency Department fell during the first wave of the pandemic, an overall rise in daily attendances since summer 2020 saw no signs of abating during 2022-23, with an additional 27 patients per day being managed, an increase of almost 10%.

However, the significant driver of performance remained the challenge in transferring admissions from the Emergency Department to a bed on an inpatient ward/department. This was primarily due to increases in the number patients with 'no reason to reside' being double the position in the same period last year. The number of out of area patients, notably from North Derbyshire and East Cheshire, was significantly excessive.

In response to these challenges, we implemented a service improvement "Programme of Flow" which ran throughout 2022-23 and introduced long length of stay (LLOS) face to face ward reviews led by Deputy Medical Director in January 2023. The programme was well received and focused senior leaders supporting wards and departments with a "Home First" approach to patient discharge.



We continue to work closely with system partners to improve patient flow out of the hospital, and also on schemes that avoid attendance and admission to the hospital. Provision of Same Day Emergency Care (SDEC) in medicine, surgery, paediatrics and gynaecology was established to provide routes other than Emergency Department or admission to patients who do not need to stay in hospital.

The Urgent and Emergency Care Campus build commenced in year and will provide additional space and improve the patient and staff experience when completed in

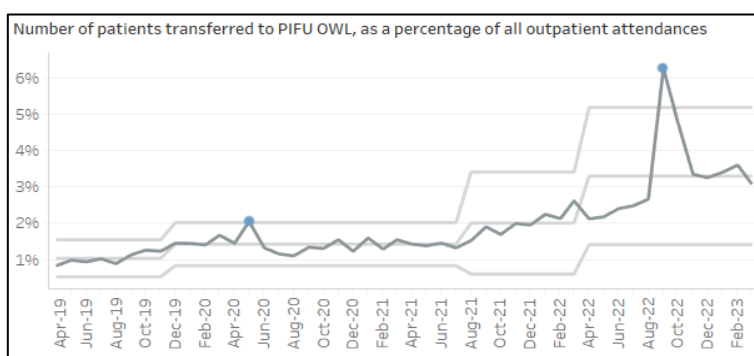
2024. Teams have remained flexible and accommodated all the changes of the building works, ensuring that patient and staff safety has been maintained.

The Clinical Decision Unit (CDU), co-located with the Emergency Department, re-opened following the Covid-19 changes in Spring 2022 and provides a better pathway for patients who need short term observation rather than admission.

Outpatient Performance

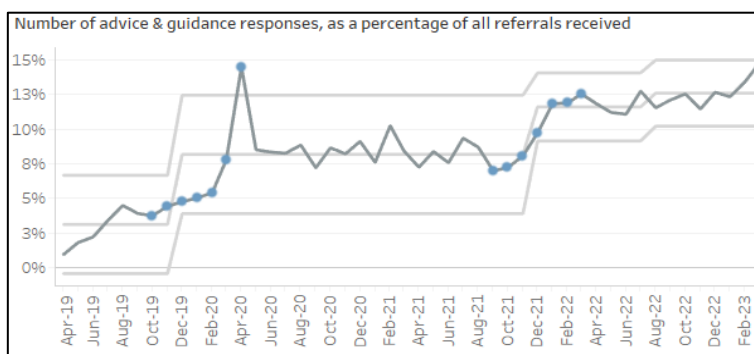
Patients Discharged to Patient Initiated Follow-Up (PIFU)

We have seen a drop off of the percentage of appointments offered as PIFU, however the rate remains the highest in Greater Manchester, and we are sharing best practice with other providers. The outpatient improvement project is working on targeting specialities where PIFU is more appropriate based on shared learning.



Advice and Guidance

As part of the outpatient improvement project, the Trust has worked with Greater Manchester partners on Advice and Guidance improvement.



We continued to monitor the percentage of appointments that were offered as Virtual & Telephone contacts. Albeit, we were below target levels, there is confidence that this reflects clinical need and we continue to work with all specialties to understand where there could be improved levels of virtual appointments.

Community Services

The Discharge to Assess service was put in place at the start of the COVID-19 pandemic. Since then, the service has evolved whilst maintaining its prime focus to:

- Help people return home from hospital as soon as they are medically safe to do so
- Prevent people from having to move into a care home until they really need to

During the year we strengthened our collaboration with other agencies. Our nurses and therapists, alongside Age UK Stockport social workers and reablement staff from the Stockport Local Authority to collectively review referrals from the Trust and other local hospitals. The staff positively challenge and promote a patient's discharge to their own home - the 'Home First' model. Once all options have been explored and only when a patient's needs cannot be met in their own home will the decision be made to discharge a person to one of the community Discharge to Assess beds, where 24 hour care can be provided, along with ongoing assessment and rehabilitation.

We continue to develop discharge pathways with the development of our Transfer of Care Hub and the further improvement work within our acute hospital wards.

Community Virtual Ward

During the year, the Trust set up a community virtual ward in line with national and local guidance.

The virtual ward built on existing integrated services across our community and acute footprint, with additional staff recruited to our Community Urgent Response Team to operate the virtual ward from 08:00 to 20:00 hours, seven days a week.

We are working with Tameside Integrated NHS Foundation Trust (as one of four networks in Greater Manchester) using digital services and remote monitoring technologies to support patients on our virtual ward.

The virtual ward provides a 'step down' pathway for us to deliver treatment to patients who would otherwise have to be treated in hospital, enabling these patients to be discharged earlier. Our virtual ward also provides a 'step up' pathway for us to provide a safe alternative to hospital admission, with a Clinical (Medical) Director for community appointed to work with the Trust during the year. Our initial focus was on frailty and acute respiratory infection, with expansion taking place across a number of other pathways.

Quality performance

We aim to demonstrate that the care and treatment delivered by all our staff is of the best quality possible. The Quality Strategy 2021-2024, approved by Board of Directors in 2021, sets out the Trust's trajectory to go from 'Requires Improvement' to 'Good' and with the aspiration of being an 'Outstanding' Trust. The Quality Strategy sets out our three-year approach to achieve our goals:

- Start well – Improve the first 1,000 days of life
- Live well – Reduce avoidable harm
- Age well – Reduce avoidable harm
- Die well with dignity – Improve the last 1,000 days of life

A targeted portfolio of projects, which we believe will have a significant impact on quality across the Trust, have now commenced which are helping staff make changes to provide high quality, safe and effective personal care to every patient, every time.

Pressure Ulcers

The key priorities set out in the tissue viability strategy have been achieved for 2022-23, with positive progress in the reduction of pressure ulcers in the hospital and community settings. A number of quality initiatives are ongoing as pressure ulcer prevention remains a high priority in our quality journey including targeted training to promote wound and skin care assessment and management and enhancing adherence to clinical guidelines through digital resources, care plans, and guides.

Falls

Our aim for 2022-23 was a 10% reduction in both overall number of falls, and those causing moderate and above harm, as a rate per 1000 bed days. Through focussed falls prevention improvement work, we successfully met our target set at the beginning of the year. This included:

- Introduction of 'at a glance' ward moves/transfers during current patient admission episode to support decision making around any patient transfers.
- Re-establishing 'falls sensors' programme
- Falls Ambassador supporting wards with information each week
- All areas able to order slipper socks for patients.
- Bay nursing in place with yellow tabards and regular toolbox training being delivered
- Falls documentation and staff knowledge monitored as part of the StARS Accreditation

Infection Prevention & Control

2022-23 continued to be a challenging year, as the Trust balanced 'living with Covid' with supporting clinical services to return to pre-pandemic levels. Good infection prevention and control practice required the hard work and diligence of all staff, both clinical and non-clinical, to ensure people who used the Trust services received safe care.

As national Covid-19 guidance diminished, the Trust reviewed infection prevention & control measures in line with evidence-based practice. Our trajectories for several infections were not achieved with an increasing trend in infection rates, as seen in several providers across Greater Manchester and nationally. Action plans are in place for each division to support improvements.

Sepsis

The screening compliance for sepsis has been excellent in the last year at a constant level of well over 90%, often over 95%. The administration of antibiotics continues to be delayed in some cases, albeit the delay is usually a matter of minutes, often involving a switch from oral to intravenous (IV) antibiotics. Each case where antibiotic administration has been delayed is reviewed, and there was no evidence of harm identified relating to delays. Nevertheless, improved electronic reporting and auto bleeping has been introduced to improve compliance with antibiotics administration, and an additional focus on face-to-face feedback from our sepsis specialist nurses has been prioritised.

One change that we have made is to reduce the number of cases being audited to give sepsis nurses more time for clinical contact and this should pay dividends through each month, in the coming year.

Mortality

As a Trust we strive to improve mortality. The Summary Hospital-level Mortality Indicator (SHMI) is a score that reports on mortality rates at trust-level across the NHS in England, using a standard methodology. Furthermore, the Hospital Standardised Mortality Ratio (HSMR) shows the ratio of the observed to the expected number of in-hospital deaths at the end of a continuous inpatient spell. Trusts are categorised as 'more than expected', 'as expected' or 'lower than expected'. Our Summary Hospital-Level Mortality Indicator remains, as it has for several years, within expected levels. However, the Hospital Standardised Mortality Ratio (HSMR) has tended to be slightly elevated for a number of years, and above expected levels. We have continued to review the drivers behind this and have commenced a series of clinical audits to understand if this is related to poor clinical practice. For example, treatment of urinary tract infections and an audit of management of fracture of neck of femur. Early indicators are that certain factors within in our coding methodology might be driving up HSMR. This is being addressed by the Clinical Effectiveness Group and reporting to the Quality Committee of the Board.

Maternity Services

Following the formal exit from the Maternity Safety Support programme in July 2022, the maternity service has continued to embed priorities and actions to support further improvement. A sustainability plan is in place to continually monitor and review our service against national maternity programmes and workstreams which include:

- Clinical Negligence Scheme for Trusts (CNST)
- Saving Babies Lives Care Bundle Version 2
- Actions from independent investigations into other maternity and neonatal services in England including Ockenden and East Kent
- Equity and Equality

The maternity team work closely with the Maternity Voices Partnership (MVP) to strengthen co-production, ensuring the voice of our service users is heard and incorporated into service development and improvement.

Throughout the year the service has had a number of successes and achievements, including:

- Presenting at the National Maternity Safety Conference
- Chief Midwifery Officer awards presented to the Divisional Director of Midwifery, Maternity Perinatal Mental health team and an individual midwife all for recognition of services towards safety and improvement.

Stockport Accreditation & Recognition Scheme (StARS)

The StARS accreditation programme was introduced in April 2021 to support the Trust with visibility and assurance on compliance against agreed standards. The vision of StARS is to create a system which ensures staff are motivated and recognised in delivering patient-centred, quality services. This accreditation programme helps to drive continuous improvement and patient safety across all care settings, with extensive annual review of adult inpatient standards undertaken, including engagement forums and consultation with subject specialists, to ensure the system remains fit for purpose.

Achievements during 2022-23

There have been 84 assessments across 41 clinical areas completed during 2022-2023. All inpatient areas continued to be assessed, with frequency determined depending on previous assessment outcomes.

We were extremely proud to develop the scheme further during the year. New bespoke standards developed and implemented for Theatres, Paediatrics, Maternity, and the Emergency Department. We also saw successful implementation of a revised process for community accreditations, based over 2 days to provide greater opportunity to observe and assess practice.

Areas are assessed as red, amber or green, with the Trust achieving 54% 'green' accreditation outcomes for all clinical areas against the 50% target set for the year.

The programme received 'Substantial Assurance' following an internal audit, and work has taken place to develop a dashboard to facilitate data analysis at a granular level for each element of the assessment. This will provide in depth understanding of areas of good practice and those which require improvement.

Patient Experience

We are committed to improving the experience of our patients, carers, families, and friends. Improving patient experience is one of the Trust's key objectives, and forms a central part of our mission to provide great care to every patient, every day.

The views of the people who use our services are important to us. We want to know when things have gone well, but also when we don't get things right, so we can learn and improve. We welcome all feedback and seek to take a proactive approach to helping with any questions or concerns.

To assess and better understand the experience of our patients, carers, friends and families, the Trust actively seeks feedback from people using our services. This enables the Trust to make the necessary service improvements that ensure our patients receive safe, consistent, person-centred experience at every contact. Feedback is captured in inpatient iPad surveys, friends and family feedback, carer's opinion, and local and national surveys. We are developing qualitative dashboard to triangulate the feedback received.

Key areas of work emerging from feedback received includes:

- Improvements to the environment in the chaplaincy and spiritual care centre
- Implementation of a mental health passport
- Continued work to support accessible information standards and improving support for patients under the protected characteristics.
- Reviewing the patient property policy and supporting the implementation of patient property boxes
- Supported mealtimes to support good nutrition and hydration for patients, and promotion of our Dining Companions.
- Supporting new ways of working to support our dying patients and working with the Palliative Care team to implement the 'Swan Model'.
- 'You said, we did'- Patients stories to improve care and celebrate achievements and learning from feedback provided in iPad surveys, Friends and Family tests and National Inpatient surveys.

Care Quality Commission

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

During 2022-23 the Trust was not inspected by the CQC, however, we continued to engage in regular oversight meetings and maintained a relationship through established contacts. Although no formal inspections were carried out in year, the Trust continued to measure its services across the domains assessed by the CQC: safe, effective, caring, responsive and well led.

The table below shows an overview of recent CQC inspection activity at Stockport NHS Foundation Trust.

Financial Year	Inspection Overview	Outcome														
2021-22: November 2021	Unannounced inspection of the urgent and emergency care service at Stepping Hill Hospital covering the domains of safe, effective, caring, responsive and well led.	<p>The inspection report published in January 2022 showed improvement across every domain.</p> <table><tr><th>Domain</th><th>Assessment</th></tr><tr><td>Safe</td><td>Good</td></tr><tr><td>Effective</td><td>Good</td></tr><tr><td>Caring</td><td>Good</td></tr><tr><td>Responsive</td><td>Requires Improvement</td></tr><tr><td>Well-Led</td><td>Good</td></tr><tr><td>Overall</td><td>Good</td></tr></table> <p>The action plan related to the inspection is reported to the Patient Safety Group and Quality Committee at the Trust.</p> <p>The Trust is exceptionally proud of the improvements made to urgent and emergency care during a time of significant pressure.</p>	Domain	Assessment	Safe	Good	Effective	Good	Caring	Good	Responsive	Requires Improvement	Well-Led	Good	Overall	Good
Domain	Assessment															
Safe	Good															
Effective	Good															
Caring	Good															
Responsive	Requires Improvement															
Well-Led	Good															
Overall	Good															
2019-20 January – February 2020	Unannounced inspection of the urgent and emergency care services, medical care (including older people), maternity, services for children and young people, well led inspection and use of resources inspection	<p>A Section 31 letter and 29a warning notice was issued to the Trust related to urgent care services, which have since been rated as good in 2021.</p> <p>The publication of the inspection report gave a Trust overall rating of ‘requires improvement’</p> <table><tr><th>Domain</th><th>Assessment</th></tr><tr><td>Safe</td><td>Requires</td></tr></table>	Domain	Assessment	Safe	Requires										
Domain	Assessment															
Safe	Requires															

			Improvement
		Effective	Requires Improvement
		Caring	Good
		Responsive	Requires Improvement
		Well-led	Requires Improvement
		Overall	Requires Improvement
		Use of Resources	Requires Improvement
		<p>Immediate action was taken during and post inspection and the CQC confirmed all requirements set out in the section 29a notice had been met. All action plans related to the inspections of 2019-20 have been closed by the Trust.</p>	

Tackling Health Inequalities

As a publicly funded organisation we are conscious of, and committed, to our duty to provide equality of access to all patients who need our services and address health inequalities. Any proposed changes to modify any of our services are subject to thorough quality and equality assessments, overseen by our Chief Nurse and Medical Director.

The impact of health inequalities was brought to the fore during the pandemic. Surgical waiting lists grew significantly during the pandemic, as elective activity was significantly reduced. The Trust has undertaken analysis of patients waiting by the parameters of ethnicity and the Index of Multiple Deprivation (IMD). This analysis gave assurance that there is no obvious inequality (in terms of deprivation and ethnicity) in the way that patients accessed treatment once on the Trust's waiting list.

Our award-winning Veteran's Passport to Health and Social Care, designed to support former service people to smoothly navigate our services without having to repeatedly recall possible distressing past experiences, continues to be received positively. Alongside this, as part of our partnership with Pennine Care NHS Foundation Trust and service users, a passport for people with mental health problems has been developed to support the needs of service users should they present at the Emergency Department. The established mental health partnership board continues to meet to further improve services for people with mental health problems, as well as strengthening mental health training for our staff.

We have implemented work to improve relationships and delivery of Interpretation Services, ensuring robust service contract arrangements and processes to support patients requiring an interpreter.

For more information about our approach to equality, please see the Staff report.

Research & Innovation

2022-23 has been a significant year for research, development and innovation (RD&I) at Stockport. The local, regional and global response to the Covid-19 pandemic has highlighted the critical importance of clinical research, increasing awareness and interest from our staff and patients alike. It is well known that clinical research provides the evidence base to answer key questions that help us tackle health and care issues in our population. However, clinical research and its outcomes can also make a real difference to clinical care, patient experience, and organisational reputation, as well as staff satisfaction, development, recruitment and retention.

We saw the launch of our joint RD&I strategy in October 2022 across Stockport NHS Foundation Trust and Tameside and Glossop Integrated Care NHS Foundation Trust to help foster a better future for our patients and staff. This was the first joint Trust strategy, with a real focus on maximising the potential of this service across our two organisations. Our RD&I strategy sets out how we will build on the existing research infrastructure and collaboration across the two Trusts, with scope to expand across the whole Southeast sector of Greater Manchester. Our aspiration is to establish our reputations as organisations with regionally and nationally acclaimed research portfolios, delivering high quality research in collaboration with system partners and Integrated Care Systems to make a tangible difference to patient care. The strategy is not just about those staff that currently deliver research within our Trusts. It looks to the wider workforce to consider their role in RD&I, from signposting patients to research opportunities for their conditions, sharing our research active ethos, updating clinical skills and practices in line with the latest research, to undertaking their own research activities. Our mission is to make a positive difference with clinical research every day, with our vision focusing on improving patient health through clinical, translational and applied health sciences research and a culture of innovation.

Staffing capacity has been a challenge in RD&I across 2022-23 as the delivery team has undergone re-structuring, expansion and diversification of roles. There has been significant focus on recruitment of new staff to fill our expanded team vacancies. This did limit the progress made on delivery of our strategic goals in the last half of 2022-23, along with delays in the re-development of our quality management and training system to better support staff. However, at the end of 2022-23, the staffing infrastructure was finalised. This will enable acceleration of delivering on our strategic aims in the year ahead; A research show case is planned for late 2023 and our research capacity will be further expanded by development of our laboratory and pharmacy infrastructure within the RD&I department.

The RD&I team are proud of the contribution we have made to re-setting our research portfolio after the pandemic. We continue to build on embedding an inclusive research active culture within our community with RD&I now being involved in training sessions with clinicians, associate practitioners and advanced clinical practitioners to raise the research profile. We have also worked closely with our communications team to showcase our RD&I achievements in the wider community, such as our continued work on various vaccine and treatment trial programmes, including RSV, Influenza and Covid-19.

For the >1,100 participants newly enrolled into research studies in 2022-23, we have been able to offer access to research opportunities across 18 specialities. We have also received positive feedback from our participant research experience survey about the professionalism, dedication and friendliness of our RD&I colleagues, a gold standard example of a team incorporating Trust values.

People performance

Further information regarding our people performance can be found in the Staff report.

Financial performance

The Group accounts include the consolidated financial results of Stockport NHS Foundation Trust, its associated Charity General Fund, and the Trust's wholly owned subsidiary, Stepping Hill Healthcare Enterprises Ltd (trading as the Pharmacy Shop). The Group accounts reflect an outturn of £8.3 million deficit for 2022-23 which includes the Trust deficit of £8.39 million in 2022-23 and subsidiaries' profit for £117k for Stepping Hill Enterprises Ltd. The Trust's Charity had a net outflow of funds of £(14)k in 2022-23. The figures quoted in the following section relate solely to the Trust, as the other components are considered immaterial for the purposes of the Group accounts.

In 2022-23 the Trust Accounts reflects the changes to the NHS regime with the abolition of clinical commissioning groups on the 30th June 2022 and the establishment of Integrated Care Systems from the 1st July 2022. The financial regime now sets funding envelopes at the Greater Manchester Integrated Care System (ICS) level with the majority of the Trust's income earned from the ICS and other NHS commissioners (including NHS England) in the form of fixed payments to fund an agreed level of activity.

In 2022-23 we have however continued to invest in improving services for patients, both in terms of the quality and safety of services and investing in buildings and equipment. Total investment through the capital programme in 2022-23 was £39.7m, which included £8.3m on equipment, £12.5 m on buildings and dwellings, £14.9m on assets under construction and £4m on IT investments, including upgrades of

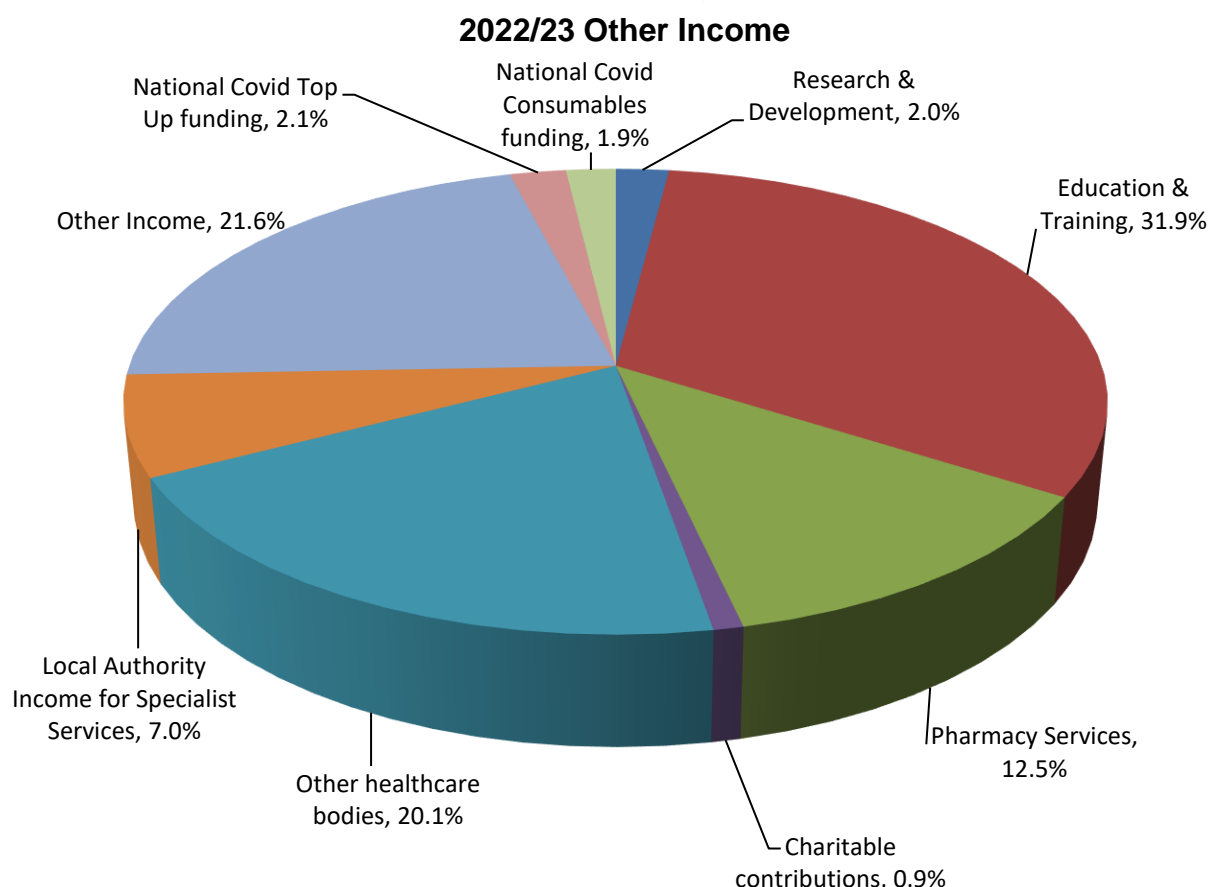
infrastructure and key clinical systems. This level of investment also included key developments such as completion of the Healthier Together Endoscopy 4th room extension and M6 new surgical ward, a new MR Scanner, and the significant upgrades to the Trusts Wireless Network Infrastructure.

In 2022-23 the Trust had final approval of its Emergency and Urgent Care Campus (EUCC) at a cost of £37.9m. Construction works have begun on the Stepping Hill site and this accounts for £12.5 m of the assets under construction at the 31st March 2023.

Income and expenditure

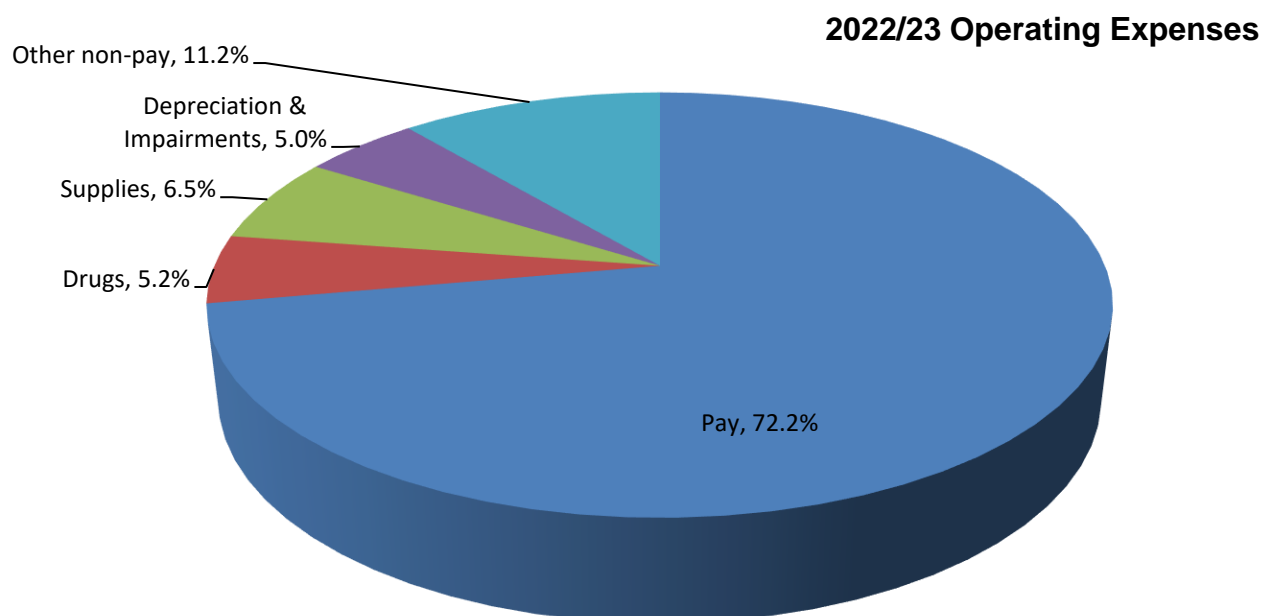
In 2022-23 our overall income was £452.9m (£416.3m in 2021-22). Income from provision of health services was greater than that from provision of goods and services for any other purpose. We did not receive or make any political donations in 2022-23. Our income in 2022-23 is an increase of £37m from 2021-22. This includes an additional £11m to fund the 2022-23 pay award offer provisional at the 31st March 2023.

We have earned income from a number of different sources and a breakdown of the £44.2m 'Other Income' is provided in the following chart:

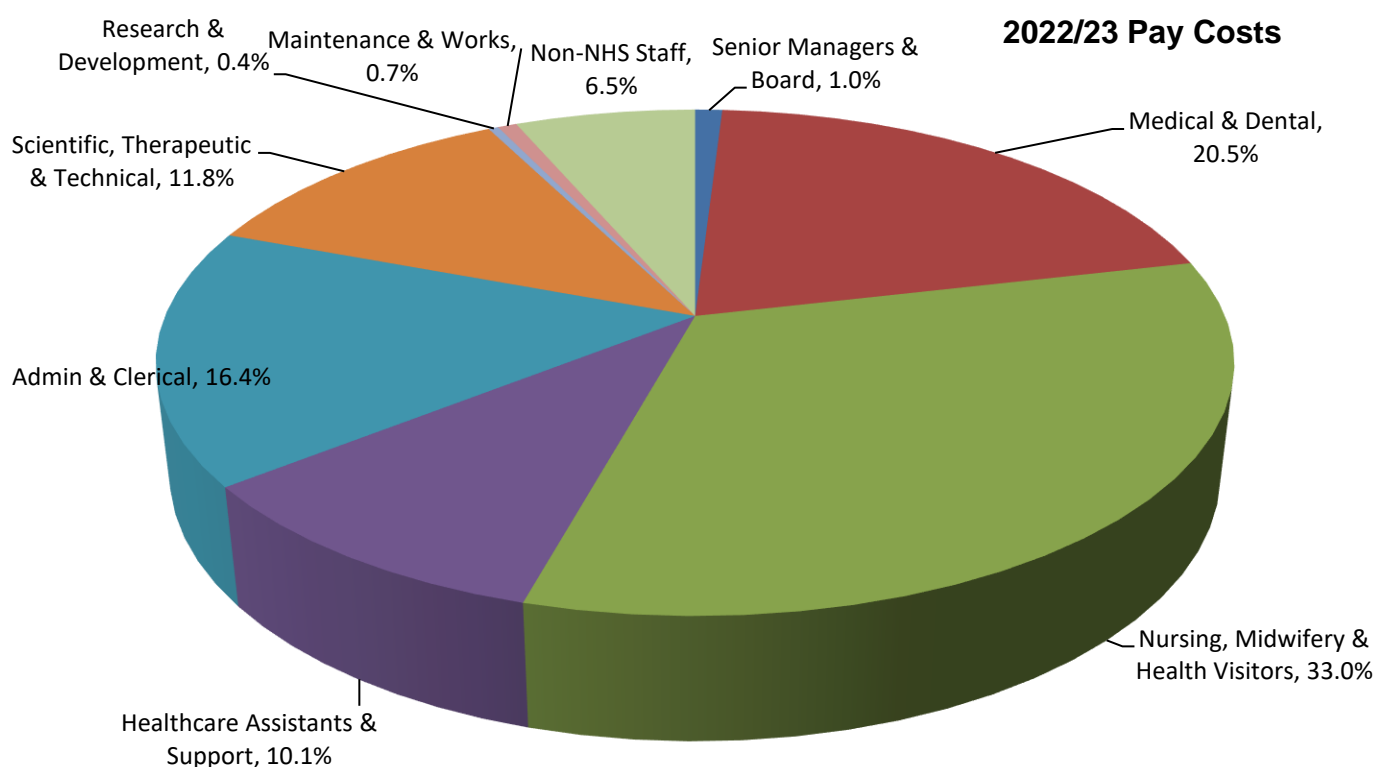


The Trust has disclosed the fees and charges (income generation) associated with the Stockport Pharmaceutical trading activity at note 5.5 in the Accounts.

Operating expenditure was £457.9 m in 2022-22 (£410.8.m in 2021-22). Our costs are divided into the following areas:



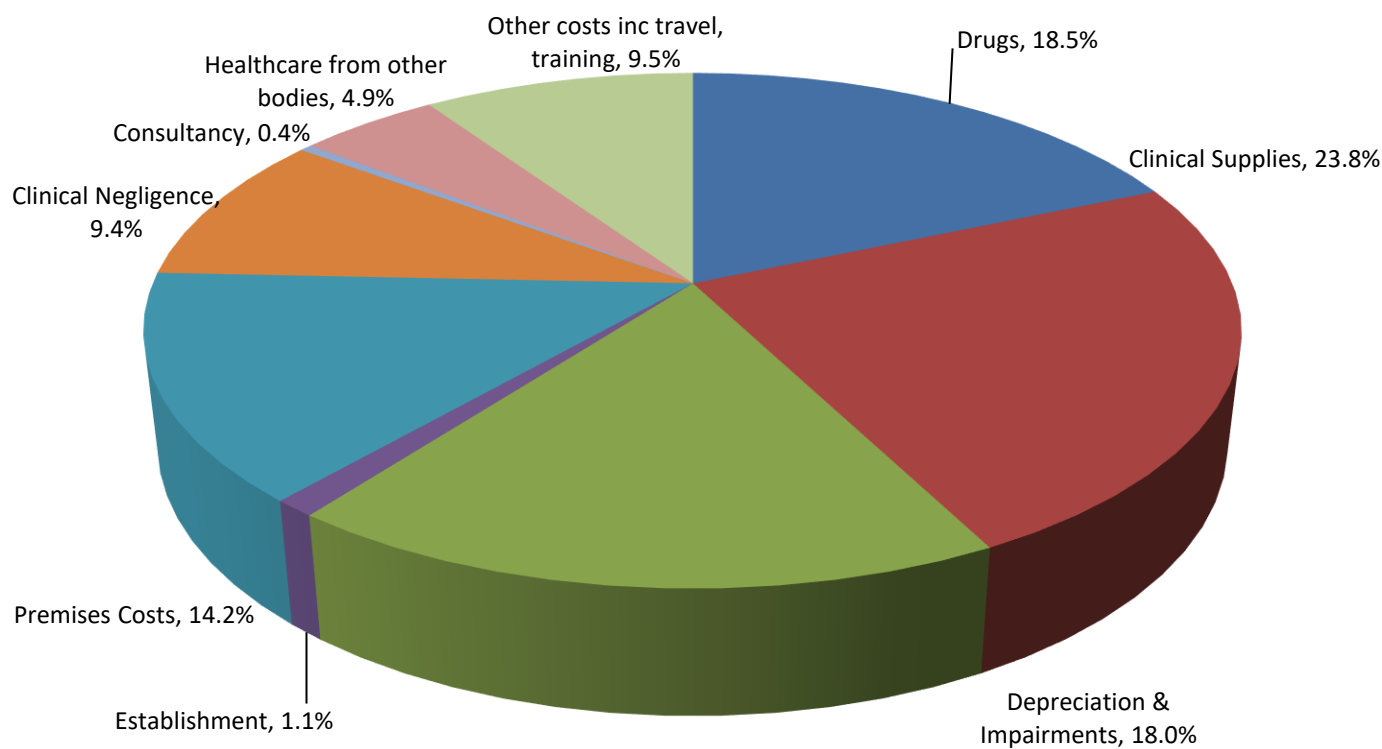
Pay costs account for 72% of our operating expenses, and our pay spend is split over the following categories:



Pay costs in 2022-23 were £331.1m (£290.1m in 2021-22) and the percentage split by staff group as shown in the above chart is in line with previous financial years.

Non-pay expenditure of £126.5m in 2022-23 was incurred, and this is demonstrated by category in the following chart:

2022/23 Non-Pay Costs



Non-pay costs increased by £6m during 2022-23, which includes increased drug costs (£0.6m), additional capital investment in 2022-23 (£1.6m) and increased clinical negligence costs for the organisation (increasing by £0.8m to £11.9m). Costs have also increased for inflation but particularly for energy, food and maintenance materials.

Balance sheet

The Trust has £194m of net assets at the year end, an increase of £32m from 2021-22. Material movements include increased capital spending as a result of additional investment secured for 2022-23, increased non-current assets, and additional cash compared to plan.

The regulations relating to the calculation of the Public Dividend Capital (PDC) and current commercial interest rates mean that it is more beneficial for us to keep bank balances in the Government bank account. Our year-end cash balance was £47.2m compared to an opening cash position of £50.5m. At the 31st March 23 the Trust has significant capital creditors of £13m that will be settled in April and May 2023 and an accrual for the NHS Pay Award of £10.6m to be paid in June 2023.

Charitable funds

The Board of Directors acts as Corporate Trustee in respect of its charitable funds. The primary statements in our Accounts show the consolidated or group position, including the charitable funds and the unconsolidated trust position. Copies of the separate Annual Report and Accounts for these charitable funds (Registered Charity Number 1048661) are available on request from the Director of Finance, via the Trust's website, or The Charity Commission's website.

Our Charity Committee oversees the management of the charitable funds, and the policy remains one of annual spending in line with the continuing levels of bequests and donations received in year. This is consistent with the aims and objectives approved by The Charity Commission for NHS charities in general.

In 2022-23 charitable funds income was £428k and we are extremely grateful for donations of £32k, grants from NHS Charities Together of £125k, legacies of £137k, and fundraising income of £70k. The charity also received £64,000 investment income.

Expenditure in 2022-23 was £378k, including £82k, on purchases for patient welfare, £185k, on supporting staff welfare and training activities, and £13k, on equipment. Expenditure included:

- £111k, on the Staff Psychological and Wellbeing Service
- £20k, for recognizing staff performance at the Trust Making a Difference Award Ceremony and other national achievement awards.
- £9.8k, for new kitchen for Aspen House Surgery Department
- £11k, for installation of sound Ears in wards across the Hospital
- £15.3k, for X-Ray B Staff Room Refurbishment
- £8k, for furnishings for various staff areas and in Community Clinics

Financial outlook

Financial arrangements for 2023-24 will be a system based approach to planning and delivery with a two year allocation for revenue and this will be year two of a three year allocation for capital. The Trust is part of the Greater Manchester Integrated Care System (ICS) and as per national arrangements, all funding for 2023-24 has been allocated in agreement with the ICS.

The national picture is for Trust's to return to pre-Covid expenditure levels and to increase productivity particularly on patients with long waits. There is also an expectation that the benefits gained during the pandemic for revised working methods continue to be embraced in order to improve patient care.

The system funding nationally has therefore reduced to reflect the convergence to pre-Covid levels and therefore there is an expectation that cost efficiency plans will be

required to deliver financial plans. The Trust Plan submission for 2023-24 is for a deficit plan and at the time of the annual report discussions continue as to how the plans can be delivered within the system resource.

There is still the requirement for efficiency savings to make the NHS affordable, and for us to maintain the highest standards of financial governance. We will continue to review our clinical services efficiency programme to ensure that all best practice and benchmarking data through mediums, such as the Model Hospital and Getting It Right First Time (GIRFT), are considered to identify opportunities for greater efficiency via different ways of working and adoption of best practice.

Capital planning 2023-24

We are planning capital expenditure of £62.7m in 2023-24, dependent on the final GM (ICS) agreed capital allocation and the release of external capital funding in relation to, Emergency and Urgent Care Campus, Electronic Patient Record, Targeted Investment Funds, and Aseptics.

A summary of planned investments is as follows:

Capital Description	£m
Estates	12,233
Equipment	1,805
IMT	1,982
IFRS16 Lease Implications	12,437
Emergency and Urgent Care Campus	16,546
Electronic Patient Record	7,500
Targeted Investment Fund	5,200
Aseptics	5,000
	62,703

Our key priorities are;

- Continued construction of the new Emergency and Urgent Care Campus
- MRI Development
- Construction of a new Modular Ward
- Development of a new GM Aseptics Hub
- Additional Theatre
- Additional Transformer & Generators to support EUCC
- Rollout of new wireless infrastructure
- Development of an Electronic Patient Care Record

There are a number of schemes in the information management and technology development programme, including key patient systems and IT infrastructure across the

hospital and community services. The equipment programme focuses on the on-going asset replacement programme across all divisions. We are committed to the development and delivery of our estate's strategy, and delivery of our capital priorities.

Key strategic developments

Sustainable Hospital Service Programme in partnership with East Cheshire

Work across East Cheshire NHS Trust (ECT) and Stockport NHS Foundation Trust (SFT) continued during 2022-23 to further develop a case for change for 10 clinical services and commence the development of an Outline Business Case (OBC) in order to:

- create high quality, integrated and sustainable services for populations served as part of a compelling vision for each site.
- improve health outcomes and reduce health inequalities.
- sustain and improve good clinical outcomes in line with national requirements, addressing variation between services.
- ensure optimal outcomes seven days a week, within available resources.
- improve recruitment and retention of staff through enhanced opportunities to develop skills and experience, with an increased focus on research, education, and training.
- ensure value for money for services.

Our programme of work is following the NHS England process required when considering changes to services. Design oversight groups have been established for the services identified within the scope of the OBC to help determine any significant change that may be proposed to services which would require public engagement and consultation. Dedicated programme management and transformation support has been identified to support the process.

We have also supported ECT with planning the return of maternity services to Macclesfield Hospital following the decision by the Board at ECT that assurances were in place for a safe return of the service during 2023.

System partnerships

We have taken an active role in the continued development of the Integrated Care System (ICS) in Greater Manchester (GM) and commissioning at Place.

The Stockport Locality Board was formally constituted during the year, with 3 members of our Board forming part of the membership. Our Chief Executive is chair of the Stockport Provider Partnership, which has developed as part of the locality arrangements.

We continue to operate in partnerships across GM via participation in the network of professional groups (e.g. Directors of Strategy, Chief Operating Officers, Medical Directors, Chief Nurses & Directors of People). Involvement in key projects has included:

- Development of Community Diagnostic Centres
- Pathology network collaboration
- Cancer and elective recovery planning
- Leading the development of an Aseptic Hub site for GM as part of the national pathfinder programme, for which the trust has been awarded £12m capital.

We have continued to develop our partnership work with Tameside & Glossop Integrated Care Foundation Trust, establishing guiding principles for collaboration to underpin and guide the current and future collaboration. A Clinical Partnership Group has been established to review and evaluate clinical opportunities for collaboration.

Development of Community Diagnostic Centres

Over recent years, demand for diagnostic tests has grown significantly and is expected to continue to increase. In October 2020, NHS England published a report recommending the development of Community Diagnostic Centres (CDCs) to deliver additional, digitally connected, diagnostic services close to home, to improve capacity and tackle health inequalities.

Over 2022-23 we have worked with partners at Tameside & Glossop Integrated Care Foundation Trust to develop a joint business case for a CDC in the areas of highest health inequalities along the border of Stockport and Tameside.

At the end of the year, partners began the procurement process, through the NHS England CDC Framework, to find a delivery partner to build, equip, staff and run a CDC. The programme will support in releasing capacity on the hospital sites and providing over 130,000 scans a year. Subject to approval from NHS England, a contract will be awarded for the CDC to go live at the end of 2023.

Digital

Good progress has been made in 2022-23 in delivering the objectives of the Trust's Digital Strategy. A key ambition within the strategy is implementing a comprehensive Electronic Patient Record (EPR) and, in 2022, a joint EPR Programme was established with Tameside Integrated Care NHS Foundation Trust (ICFT), with the support of external national funding. A joint outline business case was developed, and supported by both Boards, which is now awaiting external approvals to progress to formal procurement, and a current estimated go live in 2025/26.

Other key digital ambitions progressed during the year include:

- Completion of our Unified Communications Programme which delivered a new

digital telephony system to both acute and community locations.

- Investment to replace the outdated hospital Wi-Fi solution, including a total site-wide network cabinet refresh.
- Rollout out of Virtual Desktop Infrastructure (VDI) capabilities to all community services, and remote workers, to improve connectivity and user-experience in advance of an acute rollout in 2023-24.
- Implementation of PATRON, an in-house developed clinical portal, to enable clinicians to have easier access to the Trust's clinical digital systems.
- First- year delivery of our digital pathology programme to implement a replacement pathology information system (LIMS), a blood tracking solution, and Greater Manchester Digital Pathology.
- Digital investment in maternity services and approval of the digital maternity strategy.
- External acknowledgement of the Trust's excellent levels of data quality, achieving the highest levels in Greater Manchester.
- Establishment of new robust clinical safety programme to ensure that all Trust clinical digital systems are safe to support patient care.

The year has also seen further strengthening in security patching of our systems, and infrastructure to prevent cyber-attacks. Accreditation for the Secure Email Standard was also achieved.

Estates & Facilities

The Trust successfully continued to develop its estate and facilities during 2022/2022-23 to improve service and the experience of patients, visitors, and colleagues.

Multiple capital schemes were delivered or progressed to support clinical delivery and expansion. This included the expansion of Endoscopy and the conversion of non-compliant clinical space to much needed office space. In addition, improvements to some of our poorest estate on the Stepping Hill Hospital commenced; with Pathology being an area receiving much needed refurbishment.

An automated boiler house control panel has been installed which will support the estates out of hours team to effectively manage the site heating system, this addition also represents modernisation of an old heating system.

Then there is the unseen, the capital team have delivered multiple schemes specifically aimed at resolving some of the Trust's critical infrastructure risks, these include, asbestos removal, fire compartmentation work, fire door replacement and multiple roof replacements, to name just a few.

The start of construction on the Emergency and Urgent Care scheme has been seen during this year as the development starts to take shape. The scheme is being delivered around a working, operational site with minimal disruption to the day to day operations

of the hospital. Progress is a result of lots of committed hard work from stakeholders, both clinical and non-clinical.

Following the success of becoming an NHS exemplar patient food hospital, the catering team won the 2022 NHS chef of the year competition, following a multistage competition. This extremely prestigious award represents the highest quality of patient food being delivered at Stockport NHS Foundation Trust. The catering team were also shortlisted for Public Sector Catering and Hospital Catering Association awards. The launch of the National standards for healthcare food and drink in November 2022 has added new focus on quality and will be a priority for 2023-24.

The facilities department is proud to have launched a new retail outlet situated outside of Pinewood House. The coffee pod allows more choice for food and beverage for patient visitors and colleagues.

The portering service continues to improve since the introduction of the electronic task allocation system; it has allowed the team to amend rotas, allocating staff more efficiently to respond to the demands of the site. We were extremely pleased to be notified that one of the portering team was nominated and shortlisted for a lifetime achievement award at the NHS England Portering awards.

The introduction of the new National Standards of Cleaning have been a great success and were delivered well ahead of schedule, the introduction of electronic screens at wards and departments entrances have allowed the Domestic teams to proudly display their cleanliness scores.

Over the past year, we have worked hard to enhance our overall service delivery, focusing on improving our systems, policies, procedures, and training to ensure that our activities are safe, efficient, and compliant. As a result, we are close to introducing a new helpdesk system which will provide a better all-round experience for users and significantly improve our ability to resolve requests in a timely manner.

In addition to the new helpdesk system, our operational engineering and compliance department has implemented various new policies and procedures to ensure that our activities are conducted safely and in compliance with relevant regulations. Throughout the year, our team members have undergone robust training to stay up to date with legislative changes and to equip them with the knowledge and skills necessary to perform their duties to the highest standard. Furthermore, the Estates & Facilities Team been nominated for the prestigious Health Estates & Facilities Management Association (HEFMA) Team of the Year award. This nomination is a testament to everyone's efforts and hard work towards continuous improvement. It is a recognition of the significant strides we have made towards improving our overall service delivery and compliance practices, amidst challenges of the estate.

Sustainability

As an NHS organisation and a spender of public funds, we have an obligation to work in a way that has a positive effect on the communities we serve.

Sustainability means:

- spending public money well,
- the smart and efficient use of natural resources, and
- building healthy, resilient communities.

By making the most of social, environmental and economic assets we can improve health both in the immediate and long term, even in the context of the rising cost of natural resources. Demonstrating that we consider social and environmental impacts ensures we meet the legal requirements of the Public Services (Social Value) Act (2012).

To fulfill our responsibilities, we have agreed the following strategic vision statement in our board approved Green Plan.

“Stockport NHS Foundation Trust is committed to providing services in a way that is sustainable and supports our corporate and social responsibilities.”

It is the Trust's ambition for the emissions we control directly - our carbon footprint - to reach net zero by 2040, with an initial 80% reduction on our 2012-13 baseline by 2032. For all other emissions that we can influence - our Carbon Footprint Plus - we aim to reach net zero by 2045, with an 80% reduction by 2039.

Key Objectives

Our key objectives for environmental and sustainability management includes:

- building on our Green Plan and ensuring a long-term vision for sustainable energy management for the organisation
- ensuring that environmental protection and social issues, including prevention of pollution, are considered within our strategic planning, management and operations.
- reducing our environmental impacts in the areas of water and waste, including capital planning management schemes.

Green Plan

We recognise that sustainability goes far beyond compliance with legislation, and we believe that development of sustainable practice is a fundamental corporate responsibility.

We have a Board approved Green Plan in place in accordance with the NHS Carbon Reduction Strategy 2009. This plan sets out our commitments and actions to achieve

NHS-wide carbon emission reduction targets. We achieved the target of a 10% reduction by 2015 and further carbon reduction strategies and projects are in place to achieve the target of a 28% reduction in energy use and carbon emissions. The main actions that will be taken to achieve the Net Zero NHS target are summarised below:

Building Energy Use: A 30% reduction carbon related to gas and electricity use by 2025, followed by annual reductions to achieve an 80% reduction by 2032. All new buildings projects to be designed as net zero carbon.

Vehicles: Over the next five years the Trust will work towards replacing all its vehicles with ultra-low or zero emission vehicles.

Travel: Over the next three years the Trust will review business travel and aim to cut related carbon emissions by 15% per annum with a 75% reduction target by 2030

Anesthetic Gases: Where clinically possible, an aesthetic gas carbon emissions will aim to be reduced by 50% by 2030. We also aim to eliminate Desflurane use in clinical practice.

Single Use Plastics: Over the next three years the Trust will cease the use in nonclinical areas of single-use plastic cutlery, plates and food containers. Over the same time period, the Trust will seek alternatives to single use food and beverage containers in clinical areas and aim to reduce usage.

Waste Management: Over the next three to five years the Trust will in conjunction with its waste management partners, move towards zero waste to landfill and aim to cut its overall waste tonnage by 10% compared to 2020-21 levels.

Procurement: The Trust will contract to have 100% green electricity from April 2022. The Trust will revise its purchasing procedures to take account of carbon emissions and social, economic and environmental benefits for the local community.

We have carried out a significant amount of work to reduce carbon emissions and achieve wider sustainability goals. We continue to deliver significant carbon savings through design innovation:

- continue to rationalise the site and make best use of the site footprint by working closely with business groups to consider various methods of service delivery for both clinical and non-clinical departments. In addition, our commitment to agile working continues with estate development being a key objective.
- increased recycling and waste reduction
- fulfilling all compliance obligations relating to environmental management
- environmental/sustainability key performance indicators reported and tracked at a local level and reported monthly as part of estates & facilities finance and

performance meetings.

- reducing vehicle emissions by offering staff a capped choice of low emission or electric vehicles via the NHS Car Lease Scheme
- increasing engagement with staff and the public at all levels through a range of communications channels
- embedding sustainability principles in our current processes and policies whenever possible
- capital planning processes to take into account sustainability options and to explore wider funding routes i.e., SALIX, Environmental Funders Network and CIBSE guidance.
- All capital schemes will be BREEAM certified to ensure sustainability feature in our master planning, infrastructure and building developments. BREEAM standards will also be considered as part of any refurbishment plans.
- voltage optimisation electrical energy saving techniques to reduce supply voltage for site equipment. This improves power quality by balancing phase voltages and reducing our electricity demand and cost.
- installing cost effective duplex stainless steel plate heat exchangers to optimally improve energy efficiency and minimise wastewater pollution.
- reducing energy costs by replacing old or inefficient boilers with new systems designed to use 30-40% less energy.
- increasing insulation of roof spaces and exposed pipe work and valves,
- reducing mechanical ventilation by improving airflow and natural ventilation through the installation of new windows
- replacing inefficient engineering plant
- continued use of green technologies such as LED lighting and heat recovery units and reviewing our supply chain management strategy
- replacing our vehicles with low emission models which use efficient technology or alternative fuels rather than diesel, reducing both running costs and the environmental impact of our vehicle fleet.
- introducing an intelligent building management system to support more efficient management of heating systems.
- introducing a new waste compacting plant to improve efficiency and reporting via telemetry programs.

Carbon and Energy Management

Our approach to carbon and energy management is based on:

- reducing energy consumption,
- supplying energy as efficiently as possible,
- supplying required energy using low carbon and renewable sources where appropriate.

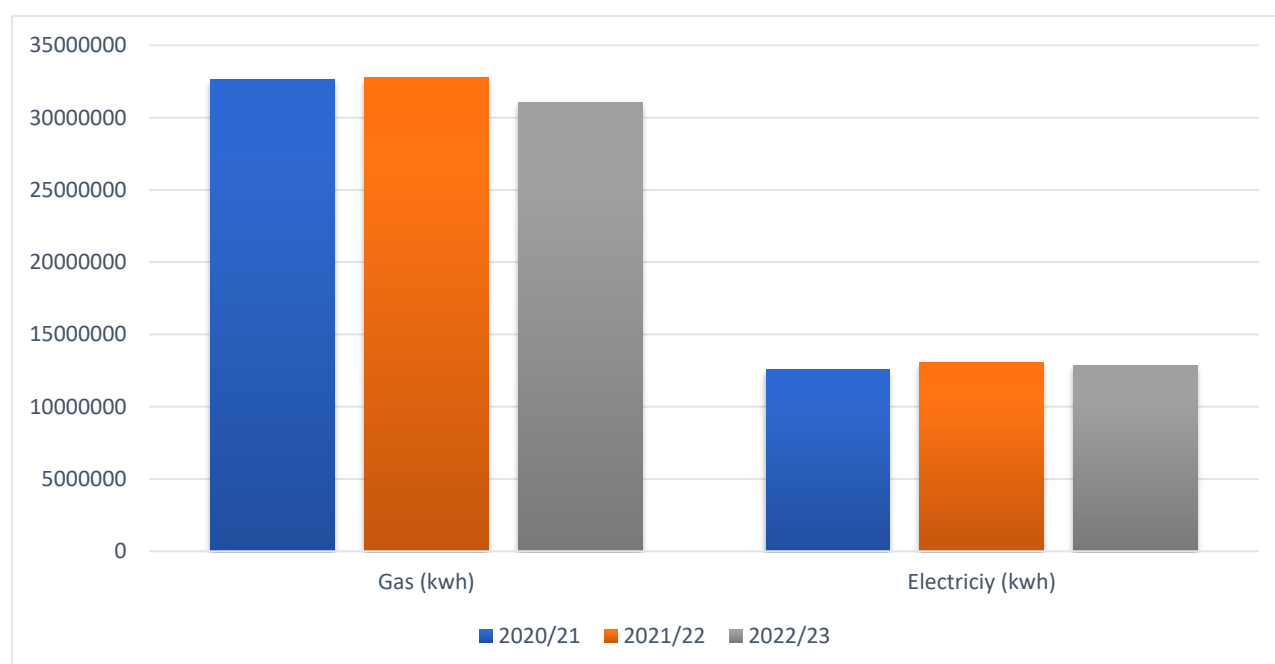
Efficient energy management necessitates close monitoring and analysis of energy consumption to enable consumption patterns and targets to be set for individual

buildings across the estate. The Trusts Sustainability manager brings focus to this area and to support will be launching our staff sustainability awareness campaign to engage and promote all areas of sustainability and encourage long-lasting sustainable behavior.

Energy Consumption

Our consumption of energy during 2022-23 is summarised in the table below, along with comparative performance in previous years. We recorded a slight decrease in consumption throughout 2022-23. However, costs have significantly increased as a result of global events.

Years	Gas (kwh)	Electricity (kwh)
2016/17	31040831	12907495
2017/18	30185153	12848845
2018/19	31229742	12676387
2019/20	32358588	12311526
2020/21	32667002	12559835
2021/22	32766055	13076062
2022-23	31072441	12878372



Water

Water consumption increased in 2022-23, with further investigative work required to identify reasons for this increase. Our estates team continues to actively work on minimizing water consumption using water efficient technology across the estate.

Reducing consumption will continue to be an area of focus during 2023-24. We have recently installed sub-meters on site to allow us to monitor any water leaks for timely identification and repair. However, we are conscious of the need to balance water

efficiency initiatives with maintaining robust infection control regimes, and to guard against the risks of legionella contamination of water systems by regular flushing of water outlets.

Sustainable travel

We plan to conduct a staff travel survey to get a better understanding of our carbon impact on staff commute. We are committed to finding more ways to support our staff in choosing more sustainable ways of travel.

The Trust made an application to Transport for Greater Manchester (TfGM) for funding and was awarded just under £10,000 to improve our existing cycle parking facilities. The project will involve improved cycle parking facilities for our patients and visitors.

Waste Management

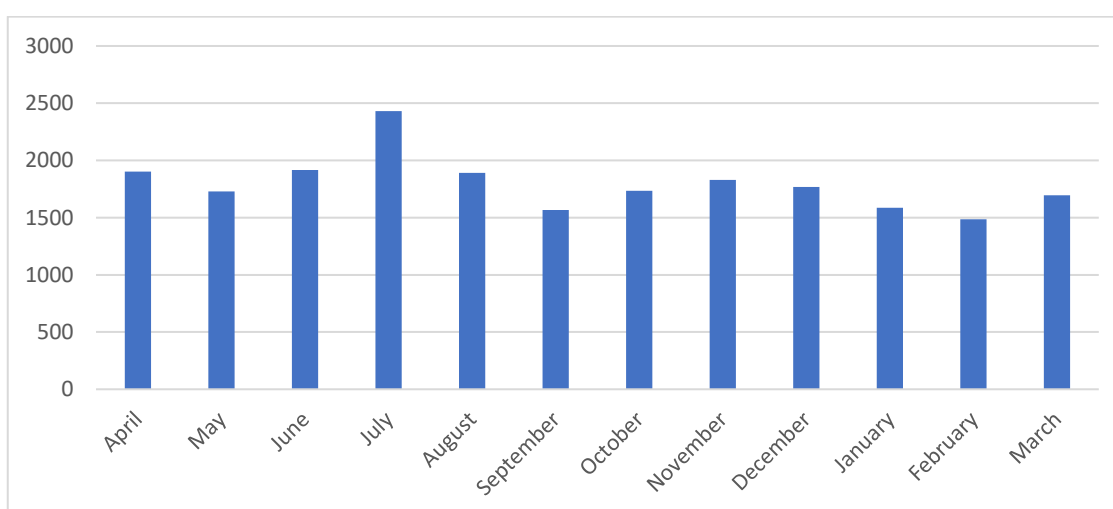
Effective waste management is one of our core principles and we are committed to reducing our carbon footprint and improving understanding of the importance of effective waste management in the NHS. To work alongside our current waste management team the Trust has appointed a Dangerous Goods Safety Advisor (DGSA) to advise on all aspects of waste.

We continue to progress with our waste management, our aim to enhance the safe, compliant and sustainable management of waste and disposal across all of our sites, while maximising the volume of waste recycled. Recycling drop-off points and the segregation of cardboard, scrap metals, furniture and electrical waste, together with improvements made to waste compactors, collection bins and holding areas, contributed to improved recycling performance. In 2022-23 we introduced re-cycling stations including battery re-cycling around the Stepping Hill Hospital site.

The Trust has recently purchased a soft compactor installation which is anticipated to take place during early 2023. The soft compactor will be used for compacting and storing offensive non-infectious waste (Tiger bag waste). This allows Estates and Facilities to better manage storage and control of this waste stream on site. It also reduces the amount of times HGV's will need to visit site contributing to reduced emissions.

The Trusts general waste which includes the use of waste compactor and skips continues to be 100% recycled or recovered. Compactor waste is 100% energy from waste and 100% of skip waste has been processed through the recycled material recovery facility. All food waste continues to be taken off site, processed and turned into green energy. The data below highlights energy the Trust has produced during 2022-23.

Date	Kw Hours Produced
April	1903.5
May	1728
June	1917
July	2430
August	1890
September	1566
October	1734.75
November	1829.25
December	1768.5
January	1586.25
February	1485
March	1694.25
Total	21532.5



Sustainable Procurement

We are committed to the principles of sustainable development to support Government and Department of Health & Social Care's commitments in this area of policy, and the improvement of the nation's health and wellbeing.

We recognise that we have an influential role to play in furthering sustainable development through the procurement of buildings, goods and services. Sustainability, environmental, and social principles are embedded in our procurement processes to ensure that a balanced consideration of social, ethical, environmental, and economic factors is undertaken as part of the procurement evaluation process.

Our procurement team has adopted a whole life cost approach by assessing the environmental impact of products from production to disposal costs. This approach will realise benefits for both our organisation and society in general, as well as minimise the impact on the environment. We also have in place a comprehensive Anti-Fraud, Bribery & Corruption Policy.

Consultation about service changes

We did not formally consult on any significant service change in 2022-23.

Overseas operations

We did not conduct any overseas operations during 2022-23.

ACCOUNTABILITY REPORT

Directors' report

The Board of Directors is responsible for setting the strategic direction of the Trust, taking into account the views of the Council of Governors. The Board is also responsible for ensuring that the day-to-day operation of the Trust is as effective, economical and efficient as possible, and that all areas of identified risk are managed effectively.

The Board of Directors takes decisions with regards to:

- strategic and development issues
- quality issues
- finance and performance
- governance

Day-to-day management of the organisation is the responsibility of the Chief Executive and the Executive Directors, who take decisions subject to levels of delegated authority set out in the Scheme of Delegation and Standing Financial Instructions, which explicitly details those decisions reserved for the Board, and those that may be determined by standing committees or delegated to managers.

The balance, completeness and appropriateness of the membership of the Board are reviewed periodically, and when vacancies arise among Executive or Non-Executive Directors.

The Board of Directors is currently comprised of a Chairman, seven Non-Executive Directors, seven Executive Directors, a non-voting Associate Non-Executive Director, and one non-voting Corporate Director. Executive Directors are appointed by the Non-Executive Directors, and their remuneration, terms and conditions are determined by the Remuneration Committee (See Remuneration report).

The Chair and Non-Executive Directors are appointed by the Council of Governors and their remuneration, terms and conditions are determined by the Nominations Committee (See Council of Governors & Membership). The Chair and Non-Executive Directors are appointed for an initial three year term of office and then, subject to approval of the Council of Governors, they can be appointed for a further three year term. Any subsequent term of office is determined by the Council of Governors on an annual basis. The term of office for the Associate Non-Executive Director is two years.

The Board considers each of the Non-Executive Directors to be independent, and they make annual declarations to this fact, a summary of which is presented to a public meeting of the Board of Directors. In confirming independence, the Board considers the outcomes of a declaration process with respect to criteria for determining

independence, together with the content of the Board of Directors Register of Interests and observations on the independent nature of colleagues' performance.

Criteria for determining independence includes:

- being a Trust employee within the last five years,
- a material business relationship with the Trust within the last three years,
- receipt of remuneration from the Trust in addition to their Non-Executive Directors' fee,
- close family ties with any of the Trust's directors, senior employees or advisers.
- holding cross-directorships or significant links with other directors through involvement in other companies or bodies
- serving on the Board of the Trust for more than six years from the date of their first appointment
- being an appointed representative of the Trust's university, medical or dental school.

During the year the Board of Directors met 12 times, including seven in public session. Details of individual Directors and their attendance at Board meetings is set out below:

Director	Attendance at Board Meetings
Chair & Non-Executive Directors	
Prof. Tony Warne, Chair Appointed 1 May 2021 to 30 April 2024. A former nurse with extensive experience in clinical, nursing and management practice. The former Executive Dean of the University of Salford, where he continues to be Professor Emeritus.	11/12
Catherine Anderson, Non-Executive Director / Senior Independent Director Appointed 4 January 2016. Re-appointed 1 January 2019 to 31 December 2021. Reappointed 1 January 2021 to 31 December 2022. A consultant working with businesses to improve performance, with senior level experience in private business and universities.	8/9
Catherine Barber-Brown, Non-Executive Director Appointed 1 September 2016. Re-appointed 1 September 2019 to 31 August 2022. A consultant with senior level experience in the banking sector with a focus on strategy and change management.	3/6
Anthony Bell, Non-Executive Director Appointed 1 May 2021 to 30 April 2024. A senior qualified accountant with significant executive experience in the private and education sectors.	12/12
David Hopewell, Non-Executive Director / Chair of Audit Committee & Charitable Funds Committee Appointed 1 July 2018 to 30 June 2021. Re-appointed 1 July 2021 to 30 June 2024.	10/12

A Fellow of the Institute of Chartered Accountants and experienced accountant having worked at a senior level in the private, public and charity sectors.	
Dr Marisa Logan-Ward, Non-Executive Director / Deputy Chair Appointed 1 August 2019 to 31 July 2022. Re-appointed 1 August 2022 to 31 July 2025. A biomedical scientist with senior level experience in the health sector.	10/12
Mary Moore, Non-Executive Director Appointed 1 October 2020 to 30 September 2023. A career NHS nurse with experience of working at a senior level, both regionally and nationally.	11/12
Joanne Newton, Associate Non-Executive Director (non-voting) Appointed 1 May 2021 to 30 April 2023 Stood down 30 September 2022 A qualified accountant with significant executive experience in the NHS.	5/6
Dr Louise Sell, Non-Executive Director / Senior Independent Director Appointed 1 October 2020 to 30 September 2023. A consultant liaison psychiatrist and a former executive medical director.	11/12
Dr Samira Anane, Non-Executive Director Appointed 1 September 2022 to 31 August 2025 A practicing GP, with nearly two decades experience of working within the NHS.	5/6
Beatrice Fraenkel, Non-Executive Director Appointed 4 January 2023 to 3 January 2026 A qualified industrial design engineer and ergonomist with over 30 years' experience in regeneration, housing, health and regulation.	3/3
Meb Vadiya, Associate Non-Executive Director (non-voting) Appointed 4 January 2023 to 3 January 2026 A lawyer and experienced Executive and Non-Executive Director.	3/3
Executive Directors	
Karen James OBE, Chief Executive Appointed as interim Chief Executive, November 2020 Appointed as substantive Chief Executive, November 2021 Joint position with Tameside & Glossop Integrated Care NHS Foundation Trust A career NHS manager.	11/12
Amanda Bromley, Director of People & Organisational Development Appointed November 2021 Joint position with Tameside & Glossop Integrated Care NHS Foundation Trust A career NHS manager.	10/12
Nic Firth, Chief Nurse Appointed November 2020 Joint position with Tameside & Glossop Integrated Care NHS Foundation Trust (from December 2022) A career NHS nurse.	12/12
John Graham, Chief Finance Officer / Deputy Chief Executive Appointed May 2020 Joint position with Tameside & Glossop Integrated Care NHS Foundation Trust (from July 2022) A career NHS manager.	11/12
Dr Andrew Loughney, Medical Director Appointed January 2021 An obstetrician.	12/12
Jackie McShane, Director of Operations	9/12

Appointed on secondment December 2020 Appointed as substantive Director of Operations November 2021. Employment transferred to Stockport NHS Foundation Trust, April 2022. A career manager.	
Jonathan O'Brien, Director of Strategy & Partnerships Appointed January 2022 Joint position with Tameside & Glossop Integrated Care NHS Foundation Trust A career NHS manager.	10/12
Caroline Parnell, Director of Communications & Corporate Affairs (non-voting) Appointed November 2019 Former journalist, communications consultant, and NHS manager.	7/12

The following Directors were seconded from the organisation during 2022-23 and therefore did not attend meetings of the Board of Directors.

Greg Moores, Director of Workforce & Organisation Development Appointed June 2019, seconded to Shropshire Community NHS Trust, May 2021. Employment with Stockport NHS Foundation Trust ended April 2022. A career NHS manager.

More details about the background and experience of all members of the Board of Directors are available on our website, alongside information on how to contact Board members.

We keep a register of Directors' interests, and a copy is available from the Trust Secretary by emailing corporateoffice@stockport.nhs.uk or writing to Trust Headquarters, Stepping Hill Hospital, Oak House, Popular Grove, Stockport. Alternatively, individual Directors' interest may be viewed via the website: [Stockport NHS Foundation Trust \(mydeclarations.co.uk\)](https://mydeclarations.co.uk)

The Board of Directors has remained relatively stable during 2022-23, with key changes to the make-up of the Board of Directors over the last 12 months set out below. The Board considers that the skills and experiences of Non-Executive and Executive Directors provide a Board of Directors that is balanced and appropriate.

Executive Directors

There were no changes to the Executive Directors during 2022-23, albeit in addition to several joint director positions and the developing collaboration between Stockport NHS Foundation Trust (Stockport) and Tameside & Glossop Integrated Care NHS Foundation Trust (Tameside & Glossop), the Executive Director of Finance and Chief Nurse were appointed as joint directors in July 2022 and December 2022 respectively, take on the statutory duties at both Stockport and Tameside & Glossop.

Non-Executive Directors

Following consideration of the composition of the Board, including the skills, knowledge, experience and diversity, alongside consideration of the Trust's strategy and future challenges, the Council of Governors supported the proposal to seek additional knowledge and skills/expertise in People and Partnerships (Place Based Care). During 2022-23, Mrs Catherine Barber-Brown and Mrs Catherine Anderson stood down, and Dr Samira Anane and Mrs Beatrice Fraenkel joined the Trust as Non-Executive Directors. Mrs Joanne Newton, Associate Non-Executive, also stood down, with Dr Meb Vadiya joining the Trust in this position.

Appraisals

All directors have annual appraisals, with those for Non-Executive Directors led by the Chair and those for Executive and Corporate Directors led by the Chief Executive. Appraisal of the Chairman is led by the Senior Independent Director in line with arrangements agreed with the Council of Governors and national guidance.

Feedback from the Chair's appraisal and his appraisal of Non-Executive Director colleagues is presented to the Council of Governor's Nominations Committee, while a summary of the appraisals of Executive Directors is presented to the Remuneration & Appointments Committee.

Well Led Framework

During 2022-23 the Board continued its journey to improve some areas of its operations in line with NHS England (NHSE) Well Led Framework. In July 2022, the Board agreed an approach to Well Led for 2022-23 – 2023-24, culminating in an independent developmental review during the early part of 2023-24. In line with the agreed approach, and the first stage of conducting an independent review, a self-assessment was undertaken utilising the Well Led Framework for Governance. The outcome of the self-assessment, including position statement against all Key Lines of Enquiry (KLOE's) and sources of evidence, was considered, and supported by the Board of Directors in March 2022. An external facilitator will be identified to conduct an independent development review during Q1-Q2 2023-24 supporting focus on continuous improvement.

Board Committees

The Board of Directors has established the following statutory committees:

- Audit Committee
- Remuneration and Appointments Committee - Further information regarding the work of the Remuneration & Appointments Committee can be found in the Remuneration report.
- Charitable Funds Committee - Further information regarding the work of the Charitable Funds Committee can be found in the Trust's Charity Annual report & Accounts available on the website.

Audit Committee

We have an Audit Committee, which meets at least five times a year, comprised only of non-executive directors, with regular attendance by Trust officers, internal and external auditors.

The committee membership comprises a non-executive director, with relevant financial experience and has been appointed Chair of the Committee by the Board, and three other non-executive directors, including the Chairs of the Board's assurance committees to enable the triangulation of relevant information from each of the key committees.

The key purpose of the Audit Committee is to provide the Board of Directors with an independent and objective review of financial and organisational controls, and risk management systems and processes. In carrying out this work, the Audit Committee primarily utilises the work of internal and external audit, alongside the Risk Management Committee and established assurance committees within the governance framework of the Trust.

Details of the committee membership and attendance at meetings are below:

Membership	Attendance at Audit Committee Meetings
David Hopewell, Chair	5/6
Catherine Barber-Brown, Non-Executive Director (Member of Audit Committee until August 2022)	1/3
Anthony Bell, Non-Executive Director	5/6
Beatrice Fraenkel, Non-Executive Director (Member of Audit Committee from February 2023)	1/1
Mary Moore, Non-Executive Director	5/6
Louise Sell, Non-Executive Director (Member of Audit Committee from September 2022 to January 2023)	1/2

Internal Audit

Internal Audit services, which include an anti-fraud service, have been provided by Mersey Internal Audit Agency (MIAA) since 1 April 2013. The contract for internal audit services was put to competitive tender and was re-awarded to MIAA from the start of 2019-20 for a two-year period, with the option of a twelve-month extension to the 31st March 2023. Further to recommendation by Audit Committee, the Board of Directors approved the contract extension in February 2022.

In December 2022, the Audit Committee recommended to the Board of Directors that the Internal Audit and Counter Fraud Services contract was made via a direct award to Mersey Internal Audit Agency (MIAA) for a period of three years, with a two year

extension option, commencing from the 1st April 2023.

The main purpose of the internal audit service is:

- to provide an independent and objective opinion to the Accountable Officer, the Board, and the Audit Committee on the degree to which risk management, control and governance support the achievement of the organisation's agreed objectives; and
- the provision of an independent and objective consultancy service specifically to assist the trust's management to improve the organisation's risk management, control and governance arrangements.

MIAA deliver a risk-assessed audit plan, which was approved at the start of the year by the Audit Committee. This was delivered by appropriately qualified and trained internal auditors, led by a nominated Audit Manager. Audit Committee received the outcomes of a number of internal audit reviews covering the following areas:

- Assurance Framework
- Digital Systems and Asset Management
- HFMA – Financial Sustainability
- Board Reporting – Provenance of Data
- Emergency Preparedness, Resilience & response Arrangements
- Procurement
- Clinical Audit
- Payroll / ELFS – Contract Management
- Risk Management – Core Controls
- Sickness Absence
- Conflicts of Interest
- Data Security & Protection Toolkit

Underpinned by the work conducted through the risk based internal audit plan, Audit Committee also received the Head of Internal Audit Opinion, which provided '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.

Countering Fraud and Corruption

During 2022-23 the Trust's anti-fraud specialist and the anti-fraud service was provided by Mersey Internal Audit Agency (MIAA) following the tendering exercise described above.

Our Anti-Fraud and Corruption Policy supports our strong anti-fraud culture and the annual work plan, agreed by the Chief Finance Officer and approved by the Audit Committee, covered areas such as enhancing the anti-fraud culture, deterring, preventing and investigating fraud.

The anti-fraud specialist regularly attended Audit Committee meetings to provide updates on the progress of the annual work plan and investigations.

We have in place a Freedom to Speak Up Raising Concerns at Work Policy that has been updated in year to reflect national guidance and policy. This outlines how staff can raise concerns, including those that may be related to fraud. Staff are reminded of their responsibility to report such matters as part of their induction, through various awareness raising activity including bespoke awareness sessions for teams and fraud alerts, newsletters and briefings issued via the Trusts internal communication routes. The policy is supplemented by our Freedom to Speak Up Guardian, with activities reported to the People Performance Committee and six monthly reports to the Board of Directors.

In addition to referrals managements and required submission of assessment against national NHS fraud standards, during 2022-23 the anti-fraud specialist focused on:

- Conflicts of Interest
- Pre-Employment Checks
- Cyber Enabled Security Risks

External Audit

Following a competitive tender process, Mazars LLP was appointed as our external audit provider by the Council of Governors with effect from 1 October 2019 for a period of three years i.e. conducting the audit for financial year 2019-20, 2020-21 and 2021-22, with an option to extend for two further years. At this time the cost of the external audit service totalled £174,900 (excluding the extension period). All figures are inclusive of VAT.

It is the responsibility of the Audit Committee to make recommendation to the Council of Governors about the appointment or reappointment of the external auditor. As the external auditor contract approached the final year of the audit, Audit Committee reviewed the quality and value of the external auditor work, including the timeliness of reporting and fees, alongside the current external audit market. Subsequently a recommendation was presented to the Council of Governors to exercise the option to extend the contract for a further period of two years, i.e. conducting the 2022-23 and 2023-24 external audit. This recommendation was approved by the Council of Governors in February 2022. The proposed fees for the two-year contract extension totalled £142,000.

The External Auditors regularly attended Audit Committee throughout 2022-23, providing an opportunity for the committee to assess their effectiveness. High level planning for the audit 2022-23 were provided to Audit Committee in February 2023, with the audit strategy memorandum presented in May 2023 confirming that audit would

be conducted with an understanding of the key challenges and opportunities Stockport NHS Foundation Trust was facing.

To ensure that the independence of the external auditors is not compromised where work outside the scope of the Audit Code has been procured from external auditors, we have a policy, refreshed and reviewed by Audit Committee in February 2023, which requires that no members of the team conducting the external audit may be a member of the team carrying out any additional work, and their lines of accountability must be separate.

Board Assurance Committees

In addition to the statutory committees, the Board of Directors has established the following committees, with the terms of reference and work plans approved by Board on an annual basis:

- Quality Committee
- Finance & Performance Committee
- People Performance Committee

The committees provide key issues reports to the Board of Directors, in relation to the delivery of the Trust's objectives and performance within their remit and responsibilities. Where concerns are identified, the committees seek further assurance that issues are being managed and escalate to the Board to ensure members are aware of the issues and have the opportunity to review mitigating actions.

Statutory statements required within the Directors Report

So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware and the Directors have taken all of the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Directors' responsibility for preparing accounts

Our Accounting Officer (Chief Executive) delegates the responsibility for preparing the accounts to the Chief Finance Officer. These are undertaken by the finance team, comprising qualified accountants and support staff, appropriately trained to produce professional accounts.

The Audit Committee has delegated authority from the Board of Directors to review and recommend for approval the Annual Accounts.

The Directors consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust's performance, business model and strategy.

Cost Allocation & Charging Guidance

Stockport NHS Foundation Trust has complied with the cost allocation and charging mechanisms set out in HM Treasury and Office of Public Sector Information guidance.

Better Payment Practice Code

As part of measures introduced as part of the Financial Improvement Programme, the Trust is no longer in a position to comply with the Better Payment Practice Code, which requires us to pay all valid non-NHS invoices by the due date, or within 30 days of receipt of goods or a valid invoice, whichever is later. This followed extensive dialogue with our supplier base that was broadly understanding of the change.

All suppliers' payment terms were reviewed and we continue to work with the small and medium enterprises to ensure they are not disproportionately affected by this change. We now have a policy of payment within 60 days and the performance against this for the last two financial years is set out in the tables below.

No significant interest was incurred under the Late Payments of Commercial Debts (Interest) Act 1988 in respect of any liability to pay interest, which accrued by virtue of failing to pay invoices within the 30 day period where obligated to do so. No interest was paid in discharge of any such liability.

2022/2023	NHS	Non-NHS
Total number of invoices paid within year	4,909	55,533
Total number of invoices paid within 60 days	4,125	49,024
Percentage of invoices paid within 60 days	84.03%	88.28%
Total value of invoices paid within year (£000)	15,002,182	233,038,181
Total value of invoices paid within 60 days (£000)	8,317,191	214,468,777
Percentage of invoices paid within 60 days	55.44%	92.03%
Total number of invoices paid within year	4,909	55,533
Total number of invoices paid within 30 days	3,623	49,024
Percentage of invoices paid within 30 days	73.80%	50.55%
Total value of invoices paid within year (£000)	15,002,182	233,038,181
Total value of invoices paid within 30 days (£000)	6,872,113	214,468,777
Percentage of invoices paid within 30 days	45.81%	75.81%
2021/2022	NHS	Non-NHS
Total number of invoices paid within year	3,939	51,253
Total number of invoices paid within 60 days	3,123	46,180
Percentage of invoices paid within 60 days	79.28%	90.10%
Total value of invoices paid within year (£000)	12,320	194,741
Total value of invoices paid within 60 days (£000)	9,032	182,280
Percentage of invoices paid within 60 days	73.31%	93.60%

Total number of invoices paid within year	3,939	51,253
Total number of invoices paid within 30 days	2,391	22,020
Percentage of invoices paid within 30 days	60.70%	42.96%
Total value of invoices paid within year (£000)	12,320	194,741
Total value of invoices paid within 30 days (£000)	7,420	144,707
Percentage of invoices paid within 30 days	60.23%	74.31%

Income disclosures

Income generation disclosures as required by Section 43 2(A) of the NHS Act 2006 are included in note 5.5 of the Annual Accounts.

The Trust has complied with Section 43 (2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012), which requires that the income from the provision of goods and services for the purposes of the health services in England must be greater than its income from the provision of goods and services for other purposes.

The impact of income on the Trust is significant. Our statutory accounts include a detailed breakdown of other income in note 4 of the Annual Accounts.



Karen James OBE
Chief Executive
27th June 2023

Remuneration report

Annual statement on remuneration from the Chair

In accordance with the requirements of the HM Treasury Financial Reporting Manual (FReM) and NHS England, this Remuneration report includes the following sections:

- An annual statement on remuneration from the chairman of the remuneration committees
- Senior managers' remuneration policy
- Annual report on remuneration

I am pleased to present the Remuneration report for 2022-23. As Chair of the Board of Directors, I chair the two committees charged with responsibility for nomination and remuneration. The Board of Directors has established a Remuneration & Appointments Committee, which is responsible for the review and consideration of remuneration and conditions of services of the Chief Executive and Executive Directors, and appointment of Executive Directors. The Nominations Committee is established by the Council of Governors and has regard to the nominations, remuneration and terms of service of Non-Executive Directors.

2022-23 Major Decisions on Remuneration

During 2022-23, the Remuneration & Appointments Committee made the following major decisions on remuneration:

- Considered national guidance on Very Senior Manager (VSM) pay for 2022-23 and approved the implementation of the annual salary increase of 3% for VSM staff currently employed at Stockport NHS Foundation Trust.
- Further to review of appropriate benchmark and comparators, approved the remuneration for substantive Executive Director appointments, noting additional responsibilities for Directors working across both Stockport NHS Foundation Trust and Tameside & Glossop ICFT.
- Confirmed no earn back arrangements implemented.

The Nominations Committee reviews the remuneration levels of the Chair and Non-Executive Directors on an annual basis, to make recommendations to the Council of Governors. A review of remuneration levels of the Chairman and Non-Executive Directors took place in February 2023, including consideration of the remuneration structure issued by NHS England. The Nominations Committee subsequently made recommendation to the Council of Governors for there to be no increase in the remuneration for existing Non-Executive Directors, including the Chairman for 2022-23, and confirmed supplementary payments of £1,000 per annum would be applied to Non-Executive Directors undertaking the duties of Vice-Chair, Senior Independent

Director and Chair of Audit Committee.

The Remuneration & Appointments Committee and the Nominations Committee aim to ensure that both non-executive and executive directors' remuneration is set appropriately, taking into account national guidance, relevant comparator data and market conditions. The committees ensure all directors and senior managers are rewarded appropriately for their leadership and contribution in delivering individual objectives that are directly aligned to the Trust's objectives. The committees fulfil their responsibilities and report directly to the Board of Directors or Council of Governors.

A handwritten signature in black ink, appearing to read 'Tony Warne', with a long horizontal stroke extending to the right.

Prof. Tony Warne
Chair
27th June 2023

Senior managers' remuneration policy

Future Policy Table

Element	Link to strategy	Operation	Maximum	Changes to policy
Base Salary	To establish levels of remuneration which are sufficient to attract, retain and motivate Executive Directors of the quality and with the skills and experience required to lead the Trust successfully, without paying more than is necessary for this purpose, and at a level which is affordable for the Trust.	<p>Executive Director salary agreed on appointment. The committee considers:</p> <ul style="list-style-type: none"> • relevant benchmarking information • guidance from NHS England • national inflationary uplifts recommended for other NHS staff <p>The committee on occasions may need to recognise changes in the role and responsibilities/or duties of a director, movement in comparator salaries and salary progression for newly appointed directors.</p> <p>In considering the appointment of individuals to roles with a salary of more than £150,000 the committee's policy is to consider:</p> <ul style="list-style-type: none"> • benchmarking data with other similar sized organisations, • market conditions i.e., national scarcity of required skills and experience, • the trust's leadership capacity and capability requirements, • the pay and conditions of other trust employees not subject to VSM, • guidance from NHS England. 	No prescribed maximum annual increase. When reviewing salaries, the committee take account of individual and organisational performance and any national award offered to the wider employee population.	No change.
Taxable benefits	The current remuneration policy of the Trust does not make provision for taxable benefits or performance related bonuses.			

Element	Link to strategy	Operation	Maximum	Changes to policy
Annual performance related bonuses				
Long term performance bonuses				
Pension related benefits	To provide pensions in line with NHS policy	The Trust operates the standard NHS pension scheme.	N/A	No change.
Non-Executive Directors	To establish levels of remuneration which are sufficient to attract, retain and motivate Non-Executive Directors (including the Chair) of the quality and with the skills and experience required to lead the Trust successfully, without paying more than is necessary for this purpose, and at a level which is affordable for the Trust.	<p>The remuneration of the Non-Executive Directors, including the Chair, is set by the Council of Governors on the recommendation of the Nominations Committee having regard to the responsibilities of the role.</p> <p>The remuneration of the Non-Executive Directors and Chair is reviewed annually taking into account national guidance and benchmarking information.</p> <p>The Non-Executive Directors do not receive any pension or taxable benefits.</p> <p>The award of supplementary payments are paid to the Deputy Chair, Chair of Audit Committee, and the Senior Independent Director.</p>	N/A	No change.

The contracts of employment of all substantive Executive Directors are permanent and are subject to a six month notice period. Honorary contracts for joint Directors are in place. For some directors appointed in 2019-20 an earn back arrangement was introduced, however no other Executive Directors are subject to this pay scheme and there are no special provisions regarding early termination of employment.

We have not released any Executive Director to serve as a Non-Executive Director elsewhere. Pension entitlements are detailed within the Remuneration report.

Our general policy for employee remuneration is to follow nationally set terms and conditions and salary bands. Senior managers of the Trust are employed on Stockport NHS Foundation Trust wide terms and conditions, which seek to ensure we attract, retain and motivate individuals and remain competitive with equivalent NHS organisations. For joint Executive Directors, employed by Tameside & Glossop ICFT, review of remuneration levels takes place between the Remuneration Committees of the two organisations.

The Remuneration & Appointments Committees actively considers the Trust's approach to equality and diversity in conducting its responsibilities, and when conducting an appointment process, seeks to attract candidates not only with the capability and experience required for the role, but also to reflect the diversity of the communities we serve. Further information on the organisation's policy and objectives in relation to diversity and inclusion, how it has been implemented and progress on achieving the objectives can be found within the Staff report.

In line with the policy for all staff, we reimburse the business expenses of Non-Executive and Executive Directors, which are necessarily incurred during the course of their employment or term of office.

The expenses paid to Directors (including non-voting Directors) during the year were:

	2022-23	2021/22
Total number of Directors in office	20	20
Number of Directors receiving expenses	-	-
Aggregate sum of expenses paid to Directors	-	-

Remuneration & Appointments Committee

The Remunerations & Appointment Committee, which includes all non-executive directors, met on three occasions during 2022-23 to consider:

- Governance arrangements for management of joint Directors
- Chief Executive & Executive Director performance
- Formal transfer of employment for the Director of Operations, following substantive appointment at Stockport NHS Foundation Trust
- Arrangements for the Chief Finance Officer and Chief Nurse to work across both Stockport NHS Foundation Trust & Tameside & Glossop ICFT and remuneration to reflect the additional responsibilities
- Very Senior Manager (VSM) pay for 2022-23

Remuneration & Appointment Committee membership and attendance at meetings is set out below:

Members	Meeting attendance
Prof. Tony Warne, Chair	3 of 3
Dr Samira Anane	1 of 1
Catherine Anderson, Non-Executive Director	1 of 3
Catherine Barber-Brown, Non-Executive Director	1 of 2
Anthony Bell, Non-Executive Director	3 of 3
Beatrice Fraenkel, Non-Executive Director	0 of 0
David Hopewell, Non-Executive Director	1 of 3
Dr Marisa Logan-Ward, Deputy Chair	2 of 3
Mary Moore, Non-Executive Director	1 of 3
Dr Louise Sell, Non-Executive Director	2 of 3
Dr Meb Vadiya, Associate Non-Executive Director	0 of 0

To advise committee members, meetings are attended by the Chief Executive and Director of People and Organisational Development, other than when matters being discussed may result in a conflict of interest. Minutes of the meeting are recorded by the Company Secretary.

Nominations Committee

The Council of Governors has established a Nominations Committee, which takes the lead on:

- the appointment and re-appointment of Non-Executive Directors, including the Chair;
- reviewing benchmarking information on Non-Executive Directors remuneration,
- overseeing the appraisal process for Non-Executive Director, including the Chair.

The Nominations Committee makes recommendations on these key areas of business to the Council of Governors.

During 2022-23 the Nominations Committee met on seven occasions to:

- confirm and implement the internal search and selection process for the appointment of two new Non-Executive Directors
- consider Chair and Non-Executive Director performance
- review Non-Executive Director, including the Chair, remuneration

Membership of the committee and attendance during 2022-23 is detailed below:

Name	Position	Attendance
Prof. Tony Warne	Chair	7 of 7
Sue Alting	Lead governor	5 of 7
Richard King	Public governor	7 of 7

Tad Kondratowicz	Public governor	6 of 6
Michelle Slater	Public governor	7 of 7
Prof. Chris Summerton	Public governor	6 of 7
Sarah Thompson	Public governor	1 of 1

Governors provide their time on a voluntary basis; however, the Trust does reimburse travel expenses. There were no expenses claimed during 2022-23.

Annual report on remuneration (subject to audit)

For the purpose of the accounts and Remuneration report the Chief Executive has agreed the definition of a “senior manager” to be Directors only.

The salary and pension entitlement of senior managers is set out in the following tables:

Table 1 Single Total Figure – Non-Executive Directors

Name	Start Date of Office	Salary and allowances (bands of £5,000) 2022/2023 £000	Salary and allowances (bands of £5,000) 2021/2022 £000
T Warne	01/05/2021	45-50	40-45
A Belton	01/06/2017		0-5
D Hopewell	01/07/2018	15-20	15-20
C Anderson	04/01/2016	10-15	10-15
C Barber-Brown	01/09/2016	0-5	10-15
Dr M Logan Ward	01/08/2019	15-20	10-15
M Moore	01/10/2020	10-15	10-15
Dr L Sell	01/10/2020	15-20	10-15
T Bell	01/05/2021	10-15	10-15
J Newton	01/05/2021	0-5	5-10
Dr S Anane	01/09/2022	5-10	-
B Fraenkel	04/01/2023	0-5	-
M Vadiya	04/01/2023	0-5	-

Table 2 - Single Total Figure – Executive Directors

Name	Start Date of Office	Salary and allowances (bands of £5,000) 2022/2023	Salary and allowances (bands of £5,000) 2021/2022	All taxable benefits to nearest £100 2022/2023	Performance pay and bonuses (bands of £5,000) 2022/2023	Long term performance pay and bonuses (bands of £5,000) 2022/2023	All Pension Related Benefits (bands of £2,500) 2022/2023 (Note 1)	Total (bands of £5,000) 2022/2023	All Pension Related Benefits (bands of £2,500) 2021/2022 (Note 1)	Total (bands of £5,000) 2021/2022
Executive Directors		£000	£000				£000	£000	£000	£000
K James OBE (Note 2) Chief Executive	09/11/2020	100-105	140-145				42.5-45	145-150	162.5-165	305-310
J McShane Director of Operations	14/12/2020	125-130	120-125				22.5-25	150-155	50-52.5	170-175
J Graham (Note 3) Chief Finance Officer, Deputy Chief Executive	20/05/2019	100-105	150-155				55-57.5	155-160	70-72.5	220-225
N J Firth (Note 4) Chief Nurse	02/11/2020	120-125	140-145				37.5-40	160-165	77.5-80	220-225
C Parnell Director of Communications & Corporate Affairs	01/11/2019	110-115	105-110				47.5-50	160-165	27.5-30	135-140
A D Loughney (Note 5) Medical Director	01/01/2021	190-195	185-190					190-195		185-190
J O'Brien (Note 6) Director of Strategy and Partnerships	04/01/2022	60-65	10-15				45-47.5	105-110	10-12.5	25-30
A Bromley (Note 7) Director of People & Organisational Development	01/11/2021	60-65	25-30				55-57.5	120-125	42.5-45	70-75
P Moore (Note 8) Director of Quality Governance and Risk Assurance	09/07/2020		5-10						0-2.5	5-10
A Bailey (Note 9) Acting Director of Strategy & Planning	01/01/2021		70-75						35-37.5	110-115
E Cain (Note 10) Acting Director of Workforce and Organisational Development	01/11/2020		35-40						35-37.5	75-80

Notes to Remuneration Table (subject to audit)

1.	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. Where negative figures are calculated a zero figure is recorded.
2.	The above table reflects the Trusts share of remuneration as Chief Executive, reflecting the dual role with Tameside and Glossop Integrated Care NHS Foundation Trust. From April 2021 to October 2021 the share for Stockport NHS Foundation Trust was 85% of remuneration, with 50% from November 2021. Total remuneration in 2022-23 across both Trusts was £200,000-£205,000 (2021-22 £195,000-£205,000). Total remuneration and pension related benefits across both Trusts was £245,000-£250,000 (2021-22 £360,000 -£365,000)
3.	From 1/7/2022 the Director of Finance post was shared 50% with Tameside and Glossop Integrated Care NHS Foundation Trust and the above table discloses the share for the Trust from this date. Total remuneration in 2022-23 across both Trusts was £160,000-£165,000. Total remuneration and pension related benefits in 2022-23 across both Trusts was £215,000-£220,000
4.	From 1/12/2022 the Chief Nurse Post was shared 50% with Tameside and Glossop Integrated Care NHS Foundation Trust and the above table discloses the share for the Trust from this date. Total remuneration in 2022-23 across both Trusts was £145,000-£150,000. Total remuneration and

	pension related benefits in 2022-23 across both Trusts was £185,000-£190,000.
5.	Mr A. Loughney chose not to be covered by the pension arrangements during the reporting year.
6.	Mr J O'Brien was appointed to Director of Strategy and Partnerships from 4/1/22 in a shared post with Tameside and Glossop Integrated Care NHS Foundation Trust. The above table discloses 50% Trust share of total remuneration. Total remuneration in 2022-23 across both Trusts was £120,000-£125,000 (2021-22 £25,000-£30,000). Total remuneration and pension related benefits in 2022-23 across both Trusts was £165,000-£170,000 (2021-22 £35,000-£40,000)
7.	Ms A Bromley was appointed to Director of People & Organisational Development from 1/11/21 in a shared post with Tameside and Glossop Integrated Care NHS Foundation Trust. The above table discloses 50% Trust share of total remuneration. Total remuneration in 2022-23 across both Trusts was £125,000-£130,000 (2021-22 £50,000-£55,000). Total remuneration and pension related benefits were £180,000-£185,000 (2021-22 £95,000-£100,000)
8.	Mr P Moore left the Trust on 30/4/2021.
9.	Mr A Bailey was appointed as Interim Director of Strategy from 1 January 2021 to 31 December 2021. The above table includes the remuneration during his time in this role.
10.	Mrs E Cain was appointed as Acting Director of Workforce and Organisational Development from November 2020 to August 2021. The above table includes the remuneration during her time in this role.
11	Comparative figures for 2021/22 for K James, J O'Brien and A Bromley have been updated to reflect the proportion of remuneration applicable to the Trust.

Table 3 – Pensions Benefits

Name	Start Date of Office	Real increase during the reporting year in the pension at pension age (bands of £2,500)	Real increase during the reporting year in related lump sum at pension age (bands of £2,500)	Total accrued pension at pension age (in bands of £5,000)	Lump sum at pension age related to the accrued pension at 31 March 2023 (bands of £5,000)	Cash Equivalent Transfer value at the 1 April 2022	Real Increase in Cash Equivalent Transfer Value during the reporting year	Cash Equivalent Transfer Value at the 31st March 2023
Executive Directors		£000	£000	£000	£000	£000	£000	£000
K James OBE	09/11/2020	2.5-5	0	95-100	285-290	0	31	60
Chief Executive								
J McShane	14/12/2020	0-2.5	0	25-30	0	331	15	373
Director of Operations								
J Graham	20/05/2019	2.5-5	2.5-5	30-35	85-90	0	24	46
Director of Finance, Deputy Chief Executive								
C Parnell	01/11/2019	2.5-5	0-2.5	35-40	85-90	705	54	796
Director of Communications & Corporate Affairs								
N J Firth	02/11/2020	2.5-5	0-2.5	65-70	140-145	1,136	38	1,232
Chief Nurse								
J O'Brien	04/01/2022	2.5-5	0-2.5	30-35	45-50	357	23	409
Director of Strategy and Partnerships								
A Bromley	01/11/2021	2.5-5	2.5-5	45-50	95-90	741	53	832
Director of People & Organisational Development								

Notes to Pensions Benefits

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 Disclosures

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

The banded annualised remuneration of the highest-paid director in the organisation in the financial year 2022-23 was £190-195k (2021-22, £185-190k).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. The total remuneration for 2022/23 includes the non-consolidated pay award which is to be paid in June 2023. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

For employees of the Trust as a whole, the range of remuneration in 2022-23 was from £20-25k to £220k-225k (2021-22 £15-20k to £220-225k). The percentage change in average employee remuneration (based on total for all Trust based employees on an annualised basis divided by full time equivalent number of employees) between years is 8.5% (2021/22 3.9%). The percentage change in remuneration for the highest paid director is 2.7% (2021/22 -5.1%). 6 employees received remuneration in excess of the highest-paid director in 2022-23 (2021/22 5 employees).

The remuneration of the employee at the 25th percentile, median and 75th percentile is set out below. The pay ratio shows the relationship between the total pay and benefits of the highest paid director (excluding pension benefits) and each point in the remuneration range for the organisation's workforce. The biggest change in ratios between 2021/22 and 2022/23 is at the 25th percentile level and relates to pay award increases for 2022/23 being weighted to staff on lower pay bands. The 2022/23 pay award for each Agenda for Change band amounted to a minimum uplift of £1,400, with the additional non-consolidated payment for 2022/23 ranging from 8.2% for Band 2 to 3.5% for Band 9 staff.

Pay Ratios 2022-23	25th percentile	Median	75th percentile
Total Remuneration	£28,058	£37,577	£53,479
Salary Component of total remuneration	£24,180	£33,694	£50,082
Mid Point of Banded Remuneration of highest paid director	£192,500	£192,500	£192,500
Total Remuneration: pay ratio for highest paid director	6.9:1	5.1:1	3.6:1
Salary Component of total remuneration: pay ratio for highest paid director	8.1:1	5.7:1	3.8:1
Pay Ratios 2021-22 Comparators	25th percentile	Median	75th percentile
Total Remuneration	£25,108	£35,190	£52,078
Salary Component of total remuneration	£22,549	£32,156	£49,486
Mid Point of Banded Remuneration of highest paid director	£187,500	£187,500	£187,500
Total Remuneration: pay ratio for highest paid director	7.5:1	5.3:1	3.6:1
Salary Component of total remuneration: pay ratio for highest paid director	8.3:1	5.8:1	3.8:1

We paid three director posts in excess of the annual equivalent of £150,000, which is the threshold used by the Civil Service as a comparison to the Prime Minister's ministerial and parliamentary salary. The Remuneration & Appointments Committee has satisfied itself that the salaries are reasonable and in line with other NHS Foundation Trusts of a similar size.



Karen James OBE
Chief Executive
27TH June 2023

Staff report

We recognise the exceptional work of all our colleagues and we have created a variety of initiatives and schemes to help engender the commitment and hard work of our dedicated workforce during what was another incredibly challenging year.

Staff costs and average whole time equivalent for the year were as follows. The below tables have been subject to audit:

Staff Costs - Group			2022-23	2021/22
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	223,021	1,580	224,601	196,140
Social security costs	21,093	-	21,093	17,084
Apprenticeship levy	1,092	-	1,092	990
Employer's contributions to NHS pension scheme	35,994	-	35,994	32,642
Pension cost - other	129	-	129	111
Temporary staff	-	49,663	49,663	43,326
Total staff costs	281,329	51,243	332,572	290,293

Average WTE

Average number of employees (WTE basis)			2022-23	2021/22
	Permanent	Other	Total	Total
	Number	Number	Number	Number
Medical and dental	560	84	644	604
Administration and estates	1,367	81	1,448	1,350
Healthcare assistants and other support staff	1,091	207	1,298	1,267
Nursing, midwifery and health visiting staff	1,564	283	1,847	1,762
Scientific, therapeutic and technical staff	468	40	508	489
Healthcare science staff	159	-	159	157
Total average numbers	5,209	695	5,904	5,629

Our workforce of 5209 average whole time equivalent staff relates to a headcount of 6348 staff as at 31 March 2023, and the profile of these staff can be shown by gender, which is 77% female and 23% male; of which:

Gender Headcount	Male	Female	Total
Directors	8	9	17
Other Senior Managers	15	33	48
Other Employees	1456	4827	6283
Total	1479	4869	6348

Sickness absence

Our sickness absence data for 2022-23 is published by NHS Digital: <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates/march-2023-provisional-statistics>

Turnover

Our turnover data for 2022-23 is published by NHS Digital: <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics/march-2023>

Staff policies and actions applied during the financial year

We actively encourage dialogue from our employees and Trade Union representatives to improve our recruitment and employment processes. The Trust has in place formal bi-monthly meetings including a Joint Consultative & Negotiating Committee with our Trade Union representatives and senior managers and a Joint Local Negotiating Committee with representatives of the British Medical Association; both forums enable two-way communication with management and our Trade Union colleagues.

We have an established Policy Review Group, working in partnership with Trade Union colleagues to review and update our employment policies. The policies are updated to improve processes and represent changes in employment legislation, to ensure fair and consistent treatment, and to support the Trust's strategy for a healthier work life balance.

During the period April 2022 to March 2023 the following policies have been considered and supported through our Policy Review Group:

- Leavers Policy and Exit Process
- Organisational Change
- Disciplinary Policy
- Car Leasing Scheme
- Retirement Policy
- Electronic Rostering Policy
- Parental Leave Policy
- Shared Parental Leave Policy
- Paternity Leave Policy
- Adoption Leave Policy
- Maternity Leave Policy
- Policy on Overpayments and Underpayments
- Relocation Policy
- Job Evaluation Policy
- Manual Handling Policy
- Agile and Homeworking Policy
- Armed Forces Policy
- Fixed Term Contract Policy
- Work Experience Policy
- Flexible Working Policy
- Policy on Claiming Expenses
- Performance Improvement Policy
- Term Time Working Policy
- Freedom to Speak Up Raising Concerns at Work Policy

The following Medical Staff Policies have also been approved:

- Covering Absent Colleagues for Medical & Dental Staff
- Policy and Procedure for Handling Concerns about Conduct, Performance and Health of Medical & Dental Staff
- Appointment of Speciality Doctors to Specialist Posts

Policies which have been approved have an Equality Impact Assessment and are communicated, promoted and training is available as required. The Policy Review Group meets regularly and Trade Union representatives, are formally consulted on policy developments: the meetings also provide an opportunity for representatives to discuss areas of concern to the workforce. Trade Union representatives are also members of the Health and Safety Committee, in accordance with statutory requirements.

Staff Experience and Engagement

Staff experience and engagement sits at the very heart of safe and quality focused patient care and has been identified by the NHS 10 year plan and its accompanying People Plan as a key driver to success. The voice of our workforce has helped us to understand what the current view of our organisation is against our organisational values. Through conversations, listening sessions, surveys, staff networks and raising concerns channels our staff have told us what they are proud of and where we need to learn and improve.

Over the last 12 months we have continued to deliver our Values into Action (VIA) Programme. This involves groups of employees at all levels across the organisation having the opportunity to share their views and experiences with a member of the Executive Management Team. The sessions provide valuable insights that help us to identify what is working well and where improvements are required. We triangulate the feedback provided at VIA sessions with our annual staff survey results and key people management metrics. Our employee voice mechanisms help us to regularly take the temperature of staff morale and engagement and we implement actions to amplify good practice and/or address area of concern. The outputs from the VIA Programme are regularly reported to the Executive Management Team along with our annual staff survey results.

We continue to promote the NHS People Pulse Survey which is open on a quarterly basis and is aligned with the annual NHS national staff survey. Disappointingly our quarterly response rates have been generally low which is not a dissimilar position to what some other NHS organisations are experiencing. We will implement new approaches to encourage employees to participate in the quarterly people pulse surveys without leading to survey fatigue and it negatively impacting on our response rate in the annual NHS national staff survey.

We have a Freedom to Speak Up Guardian, who is vital to ensuring a culture where staff can speak up freely and openly without suffering any detriment. The Guardian reports to Board on a regular basis, participates in the induction programme for staff and provides training sessions. They have direct access to a designated Non-Executive lead, in line with the national guidance, and direct access to both the Chair and the Chief Executive.

As a Foundation Trust, staff have formal representation in the governance of the Trust, through the election of staff governors to the Council of Governors. All staff are represented by a governor, and all staff are eligible to seek election and to vote in choosing who should be elected. Staff governors have an equal voice and vote in Council of Governor meetings and contribute to fulfilling the statutory duties to hold the Board to account through the Non-Executive Directors. The Trust continues to encourage staff to consider standing for election to the Council of Governors, and to participate in the electoral process using their votes.

There are also several informal methods that staff utilise to obtain information about the development of the Trust and raise any concerns or suggestions for improvement. Team Brief takes place monthly and we have continued with all staff communication on a weekly basis via e-mail circular; and have increased the use of social media, including Twitter, Instagram and a dedicated Staff Facebook group, providing two-way communication process to the Trust and staff.

Through our People Plan 2021-23 we are taking action that will help us to achieve our ambition to be a great place to work. During 2022 we refreshed our Workforce Equality Diversity and Inclusion Strategy, and developed and launched a new Communications and Engagement Strategy 2022-25 and Organisational Development Plan 2023-25. Both plans are aligned to existing plans/strategies and have reset and are accelerating our approach to empowering people to work and behave differently – because how we do things is just as important as what we do.

Our approach to improving staff experience and culture is through sequenced activities with an emphasis on changing hearts, minds and skills. We are nurturing and amplifying the most promising interventions and starting to change core narratives that guide thinking and acting. We regularly reflect on and analyse insights and staff feedback and adapt our plans accordingly.

In the delivery of our strategic plans we are embedding our organisational behaviours into everything we do and we are supporting line managers at all levels to align team culture to our organisational values and ambitions. It is critical that the way we say we get things done in Stockport matches the way we really get things done. This in turn will help improve staff experience and engagement.

Staff survey

The Trust takes part in the annual NHS National Staff Survey which enables all NHS organisations to survey their staff in a consistent and systematic way. This makes it possible to build up a picture of staff experience and, with care, to compare and monitor change over time and to identify variations between different staff groups. This important employee voice channel and measurement tool enables us to understand how we are performing against the previous year and other NHS organisations.

The 2022 NHS national staff survey was open from 26 September to 25 November 2022. We achieved a 42.4% overall response rate, with 2,481 employees completing the survey. This is a decrease of 0.6% on responses received in the 2021 survey (43%). The median response rate in the 2022 survey for our benchmarking group was 44%.

For the second consecutive year, the survey questions were linked to the elements and themes of the NHS People Promise, allowing for a direct comparison to the 2021 survey results. Each element and sub-theme of the People Promise is scored out of a possible 10. The table below shows our Trust's 2022 People Promise element and theme scores compared to our 2021 scores and our benchmarking group.

People Promise Elements	2021 Trust Score	2021 Benchmarking Group Score	2022 Trust Score	2022 Benchmarking Group Score
We are compassionate and inclusive	7.3	7.2	7.2	7.2
We are recognised and rewarded	5.8	5.8	5.8	5.7
We each have a voice that counts	6.7	6.7	6.7	6.6
We are safe and healthy	5.9	5.9	5.8	5.9
We are always learning	5.3	5.2	5.4	5.4
We work flexibly	5.9	5.9	6.1	6.0
We are a team	6.7	6.6	6.7	6.6
Themes				
Staff Engagement	6.8	6.8	6.7	6.8
Morale	5.7	5.7	5.7	5.7

The table below shows our Trust's 2020 scores which were aligned to the 10 indicators which the national staff survey was historically structured around.

Indicators	2020 Trust Score	2020 Benchmarking Group Score
Equality, diversity and inclusion	9.1	9.1
Health and wellbeing	5.9	6.1
Immediate managers	6.8	6.8
Morale	6.0	6.2
Quality of appraisals	n/a*	n/a*
Quality of care	7.2	7.2
Safe environment – bullying and harassment	8.1	8.1
Safe environment – violence	9.4	9.5
Safety culture	6.6	6.8
Staff engagement	6.8	7.0

**survey questions relating to the 'Quality of appraisals' indicator were not included in the 2020 NHS national staff survey due to the timing of the survey coinciding with the first wave of the Covid-19 global pandemic. Annual appraisals across the NHS were suspended during the unprecedented period.*

Our 2022 survey results show that there has been a significant improvement in the People Promise theme: 'We work flexibly'. The remaining six People Promise theme scores have remained the same or slightly changed but these changes are deemed to be statistically not significant. Our 2022 Staff Engagement score has very slightly decreased to 6.7 (again deemed to be statistically not significant) and our 2022 Staff Morale score has remained at 5.7 compared to last year.

Our 2022 staff survey results show there were 3 questions (3%) where the scores showed significant improvement from the previous year, compared to 12 in the previous year. There were 9 questions (9%) where the scores have significantly declined since the previous survey, compared to 3 in the previous year. 86 questions have shown no significant movements since 2021 or the score remains the same.

The table below shows the questions where the Trust's 2022 scores have significantly improved since the previous year's survey:

Question	2021	2022	Difference
I am satisfied with the opportunities for flexible working patterns	50.1%	53.0%	+2.9%
My organisation is committed to helping me balance my work and home life	39.3%	43.9%	+4.6%
My team has enough freedom in how to do its work	53.0%	56.3%	+3.3%

The table below shows the questions where the Trust's scores have significantly declined since the previous year's survey:

Question	2021	2022	Difference
I am able to make suggestions to improve the work of my team / department	73.60%	70.80%	-2.80%
I am satisfied with my level of pay	30.50%	25.20%	-5.30%
I feel a strong personal attachment to my team	67.50%	64.80%	-2.70%
In the last three months, I have come to work despite not feeling well enough to perform my duties	52.8%	56.60%	3.80% *
In the last 12 months, I have personally experienced harassment, bullying or abuse at work from patients / service users, their relatives or other members of the public	24.2%	28.30%	4.20% *
In the last 12 months, I have personally experienced harassment, bullying or abuse at work from other colleagues	16.30%	18.60%	2.30% *
Experienced discrimination on grounds of ethnic background	38.1%	46.60%	8.50% *
I would feel secure raising concerns about unsafe clinical practice	75.60%	71.10%	-4.50%
If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation	60.40%	56.70%	-3.70%

** These questions are negatively scored questions, and therefore a higher score (or positive change) reflects a decline.*

The Trust's 2022 staff survey results are a significant achievement against a backdrop of unprecedented operational pressures, staff absence and the cost of living crisis. Regularly listening to our staff with authenticity, and understanding what is working well and where improvements are required helps us to ensure that we are focusing on the things that matter the most to our employees.

Leadership Development

Over the last year we have continued to encourage our current and aspiring leaders and managers to take up national and local development opportunities which for some individuals this has been a real challenge within the context of responding to significant operational pressures.

We have supported individuals across the organisation to participate in development activities and/or complete accredited leadership qualifications including accessing individual coaching support and mentoring. Some senior individuals within the organisation have been supported to participate in the NHS Aspiring Executive Directors and Chief Executive Development Programmes.

Our Talent Leadership and OD Consultancy Team have designed and delivered development sessions for divisional leadership teams and departmental management teams which have been very positively received. This has recently included providing leadership development support to the newly formed Clinical Support Services Division.

Statutory, Mandatory and Role Specific Training

Training compliance for the financial year 2022-23 has been stable with an average compliance of 90.48%.

Resuscitation

As a key area of focus, we have continued with our revised programme for resuscitation training throughout 2022-23, introducing a new training schedule and standalone speciality training for paediatrics. New defibrillators were introduced across the whole of our organisation supported by a robust training and familiarisation roll out and implementation programme within a three-month period.

Advanced Life Support (ALS) and Intermediate Life Support (ILS) course capacity was increased during the year, and we have created a further 54 internal ALS providers across our multi-disciplinary team. We have implemented a train the trainer model to build resilience within the faculty and to support delivery of resuscitation training.

Clinical Training

We deliver a clinical induction programme which is complemented by our divisional induction programme for colleagues joining our Trust for registered and non-registered

colleagues. Colleagues are supported by our practice-based educators who provide additional support and awareness sessions throughout the year.

Our clinical support worker programme has been delivered to 280 colleagues across the year and this has included the Care Certificate Programme. The programme is delivered through face-to-face sessions and via an ePortfolio system we have developed. The ePortfolio and our programme has been shared with and adopted by other regional organisations.

International Educated Nurse (IEN) Programme

We have recruited 132 internationally educated nurses during the year. We have developed a Nursing & Midwifery Council (NMC) test of competence (known as OSCE) preparation programme which has been revised to reflect the change in the NMC test of competence. At the time of this report there is a 100% pass rate. Our practice-based educators provide pastoral support as colleagues transition into their new roles.

Apprenticeships

During 2022-23 there were 52 apprenticeship starts and there are 99 live apprentices on 40 distinct apprenticeship programmes ranging from level 2 to level 7. We have successfully bid for 11 Advanced Clinical Practice apprenticeship places which commence in September 2023 as part of the national procurement process through Health Education England. In addition to this, we introduced several Allied Healthcare Professional Apprenticeships including Physiotherapy, Occupational Therapy, and Dietetics. There will be a further two Speech and Language Therapy apprenticeships commencing in September 2023.

We continue to support the Trainee Nursing Associate and Registered Nurse Degree Apprenticeship programmes as part of our continued commitment to developing and growing our workforce.

In celebration of National Apprenticeship Week 2023 (NAW) we organised a range of events and activities to celebrate successes, promote apprenticeships and to further increase uptake on new and/or existing staff apprenticeships.

We have made apprenticeship levy transfers to local organisations and partners including various care homes; charities; local GP practices; Stockport Clinical Commissioning Group (prior to disestablishment) and the Northwest Skills Development Network. We will continue to explore opportunities to make levy transfers to local Stockport and Greater Manchester based organisations to support employment and economic initiatives; enabling individuals in our local communities and wider Greater Manchester system to access training & development via apprenticeships.

Vocational Learning (Work Experience/Pre-employment/Careers Events)

Our work experience programme was reinstated in April 2022. We expanded our virtual work experience offer as a response to COVID working with Springpod to look at a hybrid method of engagement. The programme offers opportunities to engage young people and provides participants with an insight into NHS careers, and as a means of initial contact with potential employees of the future. Our programme is aimed at Stockport residents, school and college aged learners 16+. Since reinstating the programme in April 2022, we have had the following success:

- 129 16+ onsite placements
- 368 enrolments 14 – 16 online programme
- 15 students participated in the onsite 14-16 year-old taster day

We have recently been awarded the HEE Work Experience Quality Standard bronze award.

We have collaborated with One Stockport Health & Care Academy to bring together system partners in Stockport Health & Social Care (SH&SC) to provide opportunities to employment and career development within the sector for residents. We have successfully provided 4 Pre-Employment Placements with 2 participants entering paid positions.

We are working closely with Greater Manchester Careers Hub in providing several representatives (Ambassadors) to attend a range of school careers events for example: Healthcare Careers Job Fairs, Mock Interviews event, post-sixteen events, Careers Advice Evening, Parents Event, and 'What's my job?'. Ambassadors have attended several careers fairs including Brinnington Employment Fair, The Prince's Trust Health & Social Care roadshow event, Stockport College Careers Fair and The Cheadle College.

Pre-Registration Programme

We have successfully implemented the Clinical Placement Expansion Programme which has significantly increased our pre-registration student capacity for all professions by a minimum of 166%.

The introduction of a Cadet Programme commenced, and we are working collaboratively with Trafford College Group and our system partners to expand this programme in 2023.

Our Preceptorship Programme to support the transition from learner to newly registered professional in their first year has been revised and aligned to the National Preceptorship Framework with a view to achieving the National Quality Mark for this programme in 2023.

Schwartz Rounds

We continue to increase our facilitators and deliver Schwartz Rounds across our acute and community sites, giving colleagues from all disciplines an opportunity to reflect on the emotional and social aspects of working in healthcare. We have been able to increase the number of face-to-face sessions and deliver whole Trust Schwartz Rounds and Team Schwartz to support the health and wellbeing of colleagues.

We work closely with the Point of Care Foundation to share best practice and develop our offer for Schwartz Rounds.

Health and Wellbeing

We continue to offer a wide range of health and wellbeing initiatives for colleagues. Collaborative working with colleagues across Greater Manchester (GM), including the GM Resilience Hub, has enabled us to successfully support colleagues post Covid.

We have an extensive health and wellbeing events calendar to promote initiatives and campaigns throughout the year. We respond to themes and trends that impact our colleagues such as MSK sickness levels by devising back care campaigns to increase awareness and promote health. We have supported colleagues with financial awareness sessions and food bank vouchers to support colleagues through difficult times including the current cost of living challenges.

Our Trust is working closely with our partners in the North West to implement the North West Health and Wellbeing Pledge which will focus on a person-centred approach and revised policies will be implemented this year.

The Staff Psychological and Wellbeing Service has gone from strength to strength and is continuing to support our colleagues and teams across our Trust.

Facility Time Trust Data for 2022-23

The tables below set out the relevant information for Stockport NHS Foundation Trust for the period 1 April 2022 to 31 March 2023.

Table 1 - Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
35	30.04

Table 2 - Percentage of time spent on facility time

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

Percentage of time	Number of employees
0%	0
1-50%	34
51%-99%	1
100%	0

Table 3 - Percentage of pay bill spent on facility time

The percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

	Amount
Total cost of facility time	£191,894
Total pay bill	£332,328,000
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.06%

Table 4 - 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 ÷ total paid facility time hours) x 100	27.08%
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------

Consultancy costs

We procure expert advice to deliver key project where we do not have internal expertise or, in some circumstances, we may not have the required capacity. Consultancy costs in 2022-23 are summarised below:

Consultancy area	£000	Note
Strategy: The provision of objective advice and assistance relating to corporate strategies, appraising business structures, value for money reviews, business performance measurement, management services, product design and process and production management.	133	(a)

IT/IS: The provision of objective advice and assistance relating to IT/IS systems and concepts, including strategic studies and development of specific projects. Defining information needs, computer feasibility studies and making computer hardware evaluations. Including consultancy related to e-business.	157	(b)
Human Resource, training and education: The provision of objective advice and assistance in the formulation of recruitment, retention, manpower planning and HR strategies and advice and assistance relating to the		
Programme and Project Management: The provision of advice relating to ongoing programmes and one-off projects. Support in assessing, managing and or mitigating the potential risks involved in a specific initiative; work to		
Property and Construction: The provision of specialist advice relating to the design, planning and construction, tenure, holding and disposal strategies. This can also include the advice and services provided by surveyors and architects.	105	(c)
Finance: The provision of objective finance advice including advice relating to corporate financing structures, accountancy, control mechanisms and systems. This includes both strategic and operational finance.		
Technical: The provision of applied technical knowledge. To aid understanding, this can be sub-divided into: - Technical Studies: Research based activity including studies, prototyping and technical demonstrators.	149	(d)
Procurement: The provision of objective procurement advice including advice in establishing procurement strategies.		
Total Cost 2022-23	544	

- (a) Costs related to Project Hazel design and GM ICS staffing cost
- (b) Updating patient systems/electronic patient record
- (c) Trust Capital works measured term contract and The Meadows expiry of lease
- (d) VAT advisors for general advice and projects

As a cost comparator 2021-22 = £895k.

Off payroll engagements

	2022-23	2021-22
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	Nil	Nil
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure should include both off-payroll and on-payroll engagements.	20	20

Exit packages

Redundancy and other departure costs are paid in accordance with the provisions of the NHS Scheme and trust policies. Any exit packages exceeding contractual amounts, and outside of the terms of the normal pension provisions, require Treasury approval before they are offered.

The Trust did not offer a Mutually Agreed Resignation Scheme or Voluntary Redundancy Scheme during 2022-23.

The following tables, which have been subject to audit, show the exit packages for 2022-23 compared to 2021-22.

Exit package cost band (including any special payment element)	Number of compulsory redundancies 2022-23	Number of other departures agreed 2022-23	Total number of exit packages 2022-23
<£10,000	-	1	1
£10,001 - £25,000	-	-	-
£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	-	1	1
Total resource cost	£0	£3,000	£3,000

Comparator 2021-22

Exit package cost band (including any special payment element)	Number of compulsory redundancies 2021-22	Number of other departures agreed 2021-22	Total number of exit packages 2021-22
<£10,000	-	-	-
£10,001 - £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	-	1	1
Total resource cost	£0	£11,000	£11,000

Exit Packages – Non-Compulsory Departures

Exit packages: Other (non-compulsory) departure payments				
	2022-23		2021/22	
	Payments agreed	Total value of	Payments agreed	Total value of

		agreements		agreements
	Number	£000	Number	£000
Contractual payments in lieu of notice	-	-	-	-
Non-contractual payments requiring HMT approval	1	3	1	11
Total	1	3	1	11

Equality, Diversity, and Inclusion

Our Trust's equality diversity and inclusion (EDI) journey is going from strength to strength. We have invested resources into strengthening our Colleague Experience and Inclusion Team to support delivery of the Trust's Workforce EDI Strategy 2022-25. Our key developments and progress over the past year have included:

- Developing and delivering key learning interventions including Disability Smart training for managers, and LGBTQ+ equality masterclasses, and implicit association and bias training.
- Redeveloping our training sessions for recruiting managers and enhancing our recruitment guidance to include EDI best practice in context of the Equality Act and Public Sector Equality Duty and an introduction to bias.
- The Attract, Develop & Retain Group have completed a series of action to further promote flexible working.
- Continuing to support and help grow the Trust's Staff Equality Networks.
- Participating in a variety of national and local EDI awareness events and campaigns to affirm the Trust's commitment to our EDI agenda e.g. National Inclusion Week, Black History Month, LBGT+ History Month, Stockport Pride event, Equality Diversity and Human Rights Week to name but a few.
- Holding an Iftar celebration for employees and their families in the hospital restaurant to celebrate the end of Ramadan.

As a public sector organisation, the Trust is statutorily required to ensure that equalities, diversity and human rights are embedded into its functions and activities in line with the Equality Act 2010 and Human Rights Act 1998.

The Trust is committed to achieving the General Duties set out in the Equality Act 2010 to:

- Eliminate unlawful discrimination, harassment, victimization and other conduct prohibited by the Equality Act 2010.
- Advance equality of opportunity between people who share protected characteristics and those that do not.
- Foster good relations between people who share protected characteristics and those that do not.

To achieve the Specific Duties, the Trust publishes on its public website a range of equality diversity and inclusion information:

- Annual Equality Diversity and Inclusion Monitoring Report
- Workforce Race Equality Standard Report (WRES)

- Workforce Disability Equality Standard Report (WDES)
- Equality objectives
- Equality Delivery System 2 Report (EDS2)
- Gender Pay Gap Report

Control measures and relevant governance structures are in place to ensure that the organisation complies with all relevant equality, diversity and human rights legislation. This includes:

- Board of Directors
- People Performance Committee established by the Board of Directors
- Equality Diversity and Inclusion Steering Group
- Updates to NHS England

Future Priorities

We will continue to deliver our People Plan, Workforce Equality, Diversity and Inclusion Strategy and new Organisational Development Plan that addresses the areas our staff have identified as requiring improvement. Based on the findings of the 2022 NHS national staff survey, and broader staff engagement, our key priorities over the next 12 months include:

We are compassionate and inclusive

- Accelerating our workforce EDI programme so we achieve our EDI ambitions.
- We will redesign and launch our new Trust Welcome sessions for new employees that will be much more engaging and interactive and have a greater emphasis on our culture, value and behaviours.
- We will establish a Kindness Collaborative that includes rolling out Civility Saves Lives training.
- We will design and launch a refreshed leadership and management development offer and a new EDI training offer.
- We will review and re-launch our existing Staff Networks and establish new networks including a Neuro-Diversity Staff Network.

We are recognised and rewarded

- We will hold our annual staff awards ceremony.
- We will enhance and re-launch our quarterly employee recognition award scheme.
- We will develop and implement a colleague recognition toolkit.

We each have a voice that counts

- We will continue to promote and enhance our employee voice channels and the Trust's Freedom to Speak Up approach.
- We will continue to support our Staff Partnership Forum to flourish.
- We will conduct a review of how the NHS People Pulse Survey is implemented across the organisation ensuring the tool is maximised.

We are safe and healthy

<ul style="list-style-type: none"> • We will continue to enhance our employee health & wellbeing offer including a Menopause Support Group, physical health activities, additional Schwartz Rounds, continuation of our Staff Psychology & wellbeing Service (SPAWS) and much more.
We are always learning
<ul style="list-style-type: none"> • We will implement a new 121 and appraisal conversation tool and provide further coaching skills training for line managers so they can facilitate meaningful two-way conversations. • We will design and implement targeted career progression interventions. • We will develop and implement a talent management and succession planning approach and tools. • We will ensure that we take appropriate action that helps to improve mandatory and statutory training compliance and ensure our wider learning and development offer is accessible to everyone. • We will further promote apprenticeship qualifications and increase take up.
We work flexibly
<ul style="list-style-type: none"> • We will continue to support teams, managers and individuals to implement flexible working practices including enabling individuals to do hybrid working where they can.
We are a team
<ul style="list-style-type: none"> • We will continue to provide OD consultancy support to enhance team working and nurture relationships. • We will develop and implement a team building toolkit.
Staff Engagement
<ul style="list-style-type: none"> • We will work with divisions and teams to maximise staff feedback, incident reports and complaints to inform the design of interventions and actions that will help improve colleague experience and patient care.
Morale
<ul style="list-style-type: none"> • We will design and deliver tailored staff morale boosting initiatives/interventions with divisions and teams.

It continues to be a challenging time to work for the NHS and our performance in the 2022 NHS staff survey evidences the hard work, commitment and investment that the Executive Team, divisions/directorates, staff side representatives and staff network members have contributed to making our Trust a great place to work. Our journey is far from over but we are clear on our priorities and we will continue to co-create a better future for our brilliant workforce.

NHS Foundation Trust Code of Governance disclosures

Stockport NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

A new Code of Governance for NHS provider trusts is applicable from 1 April 2023.

NHS Foundation Trusts are required to provide a specific set off disclosures in their annual report to meet the requirements of the Code of Governance, and these are detailed in the following table:

Reference	Statutory Requirement
A.2.2	The role of Chairperson and Chief Executive must not be undertaken by the same person. Comply
A.5.10	The Council of Governors has a statutory duty to hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors. Comply
A.5.11	The 2006 Act, as amended, gives the Council of Governors a statutory requirement to receive the following documents. These documented should be provided in the annual report as per the NHS Foundation Trust Annual Reporting Manual: <ul style="list-style-type: none"> a) The annual accounts, b) Any report of the auditor on them, and c) The annual report. Comply
A.5.12	The directors must provide governors with an agenda prior to any meeting of the board, and a copy of the approved minutes as soon as practicable afterwards. There is no legal basis on which the minutes of private sessions of board meetings should be exempted from being shared with the governors. In practice, it may be necessary to redact some information, for example, for data protection or commercial reasons. Governors should respect the confidentiality of these documents. Comply
A.5.13	The Council of Governors may require one of more of the directors to attend a meeting to obtain information about performance of the trust's functions or the directors' performance of their duties, and to help the

	<p>Council of Governors to decide whether to propose a vote on the trust's or directors' performance.</p> <p>The Trust is aware of this requirement. This situation did not arise during 2022-23.</p>
A.5.14	<p>Governors have the right to refer a question to the independent panel for advising governors. More than 50% of governors who vote must approve this referral. The council should ensure dialogue with the Board of Directors takes place before considering such a referral, as it may be possible to resolve questions in this way.</p> <p>Independent Panel for Advising Governors disbanded in 2017</p>
A.5.15	<p>Governors should use their new rights and voting powers from the 2012 Act to represent the interests of members and the public on major decisions taken by the Board of Directors. These are outlined in full at A.5.15</p> <p>Comply</p>
B.2.11	<p>It is a requirement of the 2006 Act that the Chairperson, the other Non-Executive Directors and, except in the case of the appointment of a Chief Executive, the Chief Executive, are responsible for deciding the appointment of Executive Directors. The nominations committee with responsibility for Executive Director nominations should identify suitable candidates to fill Executive Director vacancies as they arise and make recommendations to the Chairperson, the other Non-Executive Directors and, except in the case of the appointment of the Chief Executive, the Chief Executive.</p> <p>Comply</p>
B.2.12	<p>It is for the Non-Executive Directors to appoint and remove the Chief Executive. The appointment of a Chief Executive requires the approval of the Council of Governors.</p> <p>Comply</p>
B.2.13	<p>The governors are responsible at a general meeting for the appointment, re-appointment and removal of the Chairperson and the other Non-Executive Directors.</p> <p>Comply</p>
B.4.3	<p>The Board has a duty to take steps to ensure that governors are equipped with the skills and knowledge they need to discharge their duties appropriately.</p> <p>Comply</p>
B.5.8	<p>The Board of Directors must have regard to the views of the Council of Governors on the NHS Foundation Trust's forward plan.</p> <p>Comply</p>
B.7.3	<p>Approval by the Council of Governors of the appointment of a Chief Executive should be a subject of the first general meeting after the appointment by a committee of the Chairperson and Non-Executive</p>

	Directors. All other Executive Directors should be appointed by a committee of the Chief Executive, the Chairperson and Non-Executive Directors. Comply
B.7.4	Non-Executive Directors, including the Chairperson, should be appointed by the Council of Governors for the specified terms subject to re-appointment thereafter at intervals of no more than three years and subject to the 2006 Act provision relating to the removal of a director. Comply
B.7.5	Elected governors must be subject to re-election by the members of their constituency at regular intervals not exceeding three years. Comply
D.2.4	The Council of Governors is responsible for setting the remuneration of Non-Executive Directors and the Chairperson. Comply
E.1.7	The Board of Directors must make Board meetings and the annual meeting open to the public. The Trust's constitution may provide for members of the public to be excluded from a meeting for special reasons. Comply
E.1.8	The Trust must hold annual members' meetings. At least one of the directors must present the Trust's annual report and accounts, and any report of the auditor on the accounts, to members at this meeting. Comply

The provisions below require a supporting explanation. Where the information is already in the annual report a reference to its location is provided to avoid unnecessary duplication.

Reference	Statutory requirement
A.1.1	The schedule of matters reserved for the Board of Directors should include a clear statement detailing the roles and responsibilities of the Council of Governors. This statement should describe how any disagreements between the Council of Governors and the Board of Directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the Board of Directors and Council of Governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the Board of Directors See Accountability Report & Council of Governors & Membership
A.1.2	The annual report should identify the Chairperson, the Deputy Chairperson (where there is one), the Chief Executive, the Senior

	<p>Independent Director (see A.4.1) and the Chairperson and members of the Nominations, Audit and Remuneration Committees. It should also set out the number of meetings of the Board and those Committees, and individual attendance by directors</p> <p>See page Accountability Report</p>
A.5.3	<p>The annual report should identify the members of the Council of Governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.</p> <p>See Council of Governors & Membership</p>
FT ARM	<p>The annual report should include a statement of the number of meetings of the Council of Governors and individual attendance by governors and directors.</p> <p>See Council of Governors & Membership</p>
B.1.1	<p>The Board of Directors should identify in the annual report each Non-Executive Director it considers to be independent, with the reasons where necessary.</p> <p>See Directors Report</p>
B.1.4	<p>The Board of Directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the Board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation Trust.</p> <p>See Directors Report</p>
FT ARM	<p>The annual report should include a brief description of the length of appointments of the Non-Executive Directors and how they may be terminated.</p> <p>See Directors Report</p>
B.2.10	<p>A separate section of the annual report should describe the work of the nominations committee (s), including the process it has use in relation to Board appointments.</p> <p>See Remuneration Report</p>
FT ARM	<p>The disclosure in the annual report on the work of the Nominations Committee should include an explanation if neither an external search consultancy nor open advertising has been use in the appointment of a Chair or Non-Executive Director</p> <p>Not applicable during 2022-23</p>
B.3.1	<p>A chairperson's other significant commitments should be disclosed to the Council of Governors before appointment and include in the annual report. Changes to such commitments should be reported to the Council of Governors as they arise, and included in the next annual report</p>

	See Directors Report
B. 5.6	Governors should canvass the opinion of the Trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the Board of Directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied. See Council of Governors & Membership
FT ARM	If, during the financial year, the governors have exercised their power under paragraph 10C of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. Not applicable during 2022-23
B.6.1	The Board of Directors should state in the annual report how performance of the Board, its committees and its directors, including the Chairperson, has been conducted. See Accountability Report
B.6.2	Where there has been external evaluation of the Board and/or governance of the trust the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust. Not applicable during 2022-23
C.1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, a fair, balanced and understandable and provide the information necessary for patients, regulators, and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report). See Annual Governance Statement
C.2.1	The annual report should contain a statement that the Board has conducted a review of the effectiveness of its system of internal controls. See Annual Governance Statement
C.2.2	A trust should disclose in the annual report: a) If it has an internal audit function, how the function is structured and what role it performs; or b) If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. See Directors Report
C.3.5	If the council of governors does not accept the audit committee's

	<p>recommendation on the appointment, reappointment or removal of an external auditor, the board of directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position.</p> <p>Not applicable during 2022-23.</p>
C.3.9	<p>A separate section of the annual report should describe the work of the Audit Committee in discharging its responsibilities. The report should include:</p> <ul style="list-style-type: none"> • The significant issues that the committee considered in relation to financial statements, operations and compliance and how these issues were addressed; • An explanation of how it assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of current audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and • If the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded. <p>See Directors Report</p>
D.1.3	<p>Where an NHS foundation trust releases an Executive Director, for example, to service as a Non-Executive Director elsewhere, the remuneration disclosure of the annual report should include a statement of whether or not the director will retain such earnings.</p> <p>Not applicable during 2022-23</p>
E.1.4	<p>Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website and in the annual report.</p> <p>See Council of Governors & Membership</p>
E.1.5	<p>The Board of Directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the Non-Executive Directors, develop an understanding of the views of governors and members about the NHS foundation trust, for example, through attendance at meetings of the Council of Governors, director face-to-face contact, surveys of members' opinions and consultants.</p> <p>See Council of Governors & Membership</p>
E.1.6	<p>The Board of Directors should monitor how representative the NHS foundation trust's membership is, and the level and effectiveness of member engagement and report on this in the annual report.</p> <p>See Council of Governors & Membership</p>
FT ARM	<p>The annual report should include:</p>

	<ul style="list-style-type: none"> • A brief description of the eligibility requirements for joining different membership constituencies, including the boundaries of public membership; • Information on the number of members in each constituency, and • A summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership, including progress towards any recruitment targets for members. <p>See Council of Governors & Membership</p>
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

For all provisions where information is to be made publicly available, available to governors or available to members, information detailed is available on the Trust's website and/or on request from the Trust Secretary by emailing corporateoffice@stockport.nhs.uk or writing to the Trust headquarters at Oak House, Stepping Hill Hospital, Poplar Grove, Stockport

For all other provisions, where there are no special requirements, the basic comply or explain requirement stands. The disclosure should contain an explanation in each case where the trust has departed from the Code, explaining the reasons for the departure and how the alternative arrangements continue to reflect the main principles of the Code.

The Board of Directors conducts an annual review of the Code of Governance to monitor compliance and identify areas for further development. In April 2023, the Board of Directors confirmed that, with the exception of the following provision, Stockport NHS Foundation Trust complies with the provisions of the NHS Foundation Trust Code of Governance issued by NHS England.

Stockport NHS Foundation Trust departed from the following provision of the Code during 2022-23 "Provision B.6.2 - Evaluation of FT boards should be externally facilitated at least every three years" on the basis that:

An independent board governance review was completed by Deloitte LLP during 2014/15. Subsequently a series of external reviews including CQC Well Led Inspection (October 2018 and February 2020) and NHS England/Improvement Governance Review (November 2019) have been undertaken. An independently facilitated Well Led mapping review was conducted by AQUA in 2021, providing an overview of the Trust's evidence against the 8 Key Lines of Enquiry (KLOEs) within the Well Led framework, and further developmental actions for the purpose of continuous improvement. Further to this, the Board agreed an approach to facilitate an external review during 2023-24, with completion of a self-assessment and agreed KLOE ratings supported by Board in March 2023 in preparation.

Council of Governors & Membership

The basic governance structure of all NHS foundation trusts includes:

- a public and staff membership
- a council of governors
- a board of directors.

Membership

Membership of the Trust is open on an opt-in basis to anyone over 11 years old and living in one of the following public constituencies:

- Bramhall and Cheadle,
- Heatons and Victoria,
- Marple and Stepping Hill,
- High Peak and Dales,
- Tame Valley and Werneth,
- Outer region.

Information about how to become a public member is freely available on our website and displayed in various public areas across our services.

Staff are automatically members unless they choose to opt out, and staff membership is also open to anyone employed by another organisation but who exercises a function for the Trust.

Details of the make-up of our members as of 31 March 2023 are below:

Constituency	Number of members
Bramhall and Cheadle	2,259
Tame Valley and Werneth	1,789
The Heatons and Victoria	1,910
Marple and Stepping Hill	2,390
High Peak and Dales	780
Outer region	1,270
Staff	6,348
Total	16,476

Public Constituency	Number of members	Eligible membership
Age		
0 - 16	0	77,247
17- 21	15	18,141
22+	8,534	290,651
Ethnicity		
White	7,981	345,946
Mixed	84	6,021
Asian or Asian British	416	14,453

Black or Black British	98	2,139
Other	2	1,728
Socio-economic grouping		
AB	3,249	40,525
C1	3,058	53,185
C2	2,019	34,904
DE	2,061	39,922
Gender		
Male	3,971	189,712
Female	6,092	196,327

* Where figures do not equal the total number of members, information has not been provided.

Council of Governors

Governors are the direct representatives of members, staff, stakeholders, and public interests and form an integral part of the governance structures that exists in all NHS foundation trusts.

In broad terms, the role of the Council of Governors is to hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors and to represent the interests of NHS foundation trusts members and of the public. Other statutory aspects of the Council of Governors' role include:

- Approving the appointment of the Chief Executive
- Appointing and removing the Chairman and other Non-Executive Directors
- Deciding the remuneration of the Chairman and Non-Executive Directors
- Appointing and removing the NHS Foundation Trusts Auditors
- Contributing to the forward plans of the organisation
- Receiving the NHS Foundation Trust's Annual Accounts, Auditor's Report and Annual Report
- When appropriate, making recommendations and/or approving revisions of the Foundation Trust Constitution.

The composition of the Council of Governors is as follows:

Constituency	Number
Public	
Bramhall & Cheadle	4
Heatons & Victoria	4
High Peak & Dales	3
Marple & Stepping Hill	4
Outer Region	1
Tame Valley & Werneth	4
Staff	

Staff	4
Appointed	
Stockport Metropolitan Borough Council	1
Stockport Clinical Commissioning Group *	1
Age UK Stockport	1
Stockport Healthwatch	1
University of Manchester / Manchester Metropolitan University	1
Total	29

** Stockport Clinical Commissioning Group was disestablished as part of the Health and Social Care Act 2022. Trust Constitution and composition of the Council of Governors to be updated during 2023-24.*

Governors' elections

Despite the ongoing pandemic, we continued our rolling programme of elections, along with elections for vacant seats as follows:

Constituency	Number of Positions Available	Number of Nominations Received
Public		
Bramhall & Cheadle	4	8
Marple & Stepping Hill	4	5
Tame Valley & Werneth (By-election)	1	0
Heatons & Victoria (By-election)	1	0
Staff		
Staff (by-election)	2	2

The Trust currently has vacancies for governors in the following constituencies:

- Tame Valley & Werneth - 2 vacancies
- Heatons & Victoria - 1 vacancy
- University of Manchester / Manchester Metropolitan University - 1 vacancy

Elected positions will be part of the governor election programme to take place in 2023-24.

During 2022-23 we saw several long-standing governors leave the organisation. Their contribution to the Council of Governors and the organisation as a whole is sincerely appreciated.

Mrs Sue Alting, Appointed Governor, Age UK Stockport, has continued in the role of Lead Governor.

Membership of the Council of Governors

Information about our public, staff and appointed governors is available on our website. Listed below are details of all our governors throughout 2022-23 and their attendance at Council of Governors meetings:

Governor	Constituency	Attendance
Public		
John Pantall	Bramhall & Cheadle	4 of 5
Michelle Slater	Bramhall & Cheadle	4 of 5
Sarah Thompson	Bramhall & Cheadle	2 of 2
Adrian Nottingham	Bramhall & Cheadle	1 of 2
Robert Cryer	Bramhall & Cheadle	3 of 3
Toni Leden	Bramhall & Cheadle	1 of 3
Tad Kondratowicz	Heatons & Victoria	5 of 5
Jamie Hirst	Heatons & Victoria	2 of 5
David Huddleston	Heatons & Victoria	0 of 1
Chris Summerton	Heatons & Victoria	5 of 5
Janet Browning	High Peak & Dales	3 of 5
Lance Dowson	High Peak & Dales	0 of 5
Thomas Lowe	High Peak & Dales	1 of 5
Richard King	Marple & Stepping Hill	4 of 5
Val Cottam	Marple & Stepping Hill	2 of 2
Michael Cunningham	Marple & Stepping Hill	2 of 2
Tony Moore	Marple & Stepping Hill	1 of 1
David Rowlands	Marple & Stepping Hill	3 of 3
Julie Wragg	Marple & Stepping Hill	0 of 4
Zahida Ikram	Marple & Stepping Hill	0 of 0
Muhammad Rahman	Outer Region	0 of 5
Howard Austin	Tame Valley & Werneth	5 of 5
Gillian Roberts	Tame Valley & Werneth	5 of 5
Lesley Higginbottom	Tame Valley & Werneth	1 of 4
Staff		
Paula Hancock	Staff	3 of 5
Karen Southwick	Staff	3 of 5
Adam Pinder	Staff	2 of 2
David McAllister	Staff	1 of 2
Appointed		
Sue Alting	Age UK Stockport	5 of 5
David Kirk	Healthwatch Stockport	2 of 5
Keith Holloway	Stockport Metropolitan	3 of 3
Jude Wells	Stockport Metropolitan Borough	1 of 1

Current governors highlighted in bold black type. Governors that stood down during 2022-23 highlighted in blue type.

The pandemic continued to impact on the operation of the Council of Governors

during much of the year, and we maintained virtual meetings alongside a virtual informal catch-up meeting between governors and Non-Executive Directors to share the key activities of the assurance committees and ensure feedback from governors could be shared with colleagues. We welcomed our governors back onsite, with our formal Council of Governors' meetings returning in person from December 2022.

All governors are required to comply with the Council of Governors Code of Conduct and declare any interests that may result in a potential conflict of interest in their role as governor of Stockport NHS Foundation Trust. We hold a register of governors' interests, which is available on request from the Trust Secretary on 0161 419 5164 or email corporateoffice@stockport.nhs.uk

Details of how to contact our governors are available on our website.

Governor Training & Development

With the introduction of several new governors following the elections, we held an externally facilitated Induction & Core Skills session during the year. This face to face event provided new governors with a comprehensive understanding of the role of the governors and enabled existing governors to refresh their skills and share experiences of the governor role in practice. Our Non-Executive Directors also joined governors for an effective questioning & challenge training session. This supported governors in their duty of holding to account.

Further training and development opportunities for governors held during 2022-23 included understanding patient experience & membership engagement, introduction to NHS finance, and the development of the Integrated Care Systems (ICS). We also conducted recruitment training for Nominations Committee members. In addition to the above, governors have accessed external training and development opportunities delivered by NHS Providers, including virtual governor workshops and governor focus conferences.

Council of Governor Meetings

During 2022-23 the Council of Governors fulfilled their statutory duties. They approved the re-appointment of one Non-Executive Director, Dr Marisa Logan-Ward for a further three-year term of office. Furthermore, they approved the appointment of two new Non-Executive Directors, Dr Samira Anane and Mrs Beatrice Fraenkel for three-year term of office and Mr Meb Vadiya, Associate Non-Executive Director, for a two-year term of office. The remuneration and terms of service of Non-Executive Directors was reviewed and approved and the appraisal process for Chair and Non-Executive Directors was confirmed, and outcome considered.

In addition to receiving information about the performance of the organisation against national standards, as well as key workforce, quality and finance indicators, the Council of Governors considered and provided view on a range of issues in line with

their duties including:

- Trust plans for 2022-23 and 2023-24
- Development and approval of the Membership Strategy & Action Plan, with regular progress report via the Membership Development Group
- National Staff Survey Results and Health & Wellbeing Initiatives
- National Inpatient Survey Results and Patient Experience Initiatives
- The Trust's Communications & Engagement Strategy
- Receiving the Annual Report & Accounts 2021-22, including a presentation from External Audit
- Receiving the Quality Accounts 2021-22, including Clinical Audit
- Confirmation of Governors' Standards of Business Conduct
- Confirmation of Nominations Committee membership

The Council of Governors were kept informed of the developing Integrated Care System at both a Greater Manchester and locality level.

Governors have continued to feedback the views of members and the public as a whole via the Council of Governors meetings and the informal meetings with the Chair and Non-Executive Directors.

Board of Director engagement with governors

The Board of Directors and Council of Governors seek to work together effectively in their respective roles. To this effect a clear process is in place detailing how disagreements will be resolved. Governors regularly observe the public Board meetings to gain a broader understanding of discussion taking place at Board level and observation of the decision-making processes and challenge from Non-Executive Directors. Furthermore, the Executive and Non-Executive Directors regularly attend meetings of the Council of Governors as observers and lead discussions when further information is required. In addition, regular informal catch up meetings are held between governors and the Chair and Non-Executive Directors. Details of Board members attendance at Council of Governors' meetings during 2022-23 is below:

Board Member	Title	Attendance
Non-Executive Directors		
Prof. Tony Warne	Chair	5 of 5
Catherine Anderson	Non-Executive Director	2 of 4
Catherine Barber-Brown	Non-Executive Director	1 of 2
Anthony Bell	Non-Executive Director	5 of 5
David Hopewell	Non-Executive Director	3 of 5
Marisa Logan-Ward	Non-Executive Director / Deputy Chair	4 of 5
Mary Moore	Non-Executive Director	5 of 5
Joanne Newton	Associate Non-Executive Director	2 of 3

Louise Sell	Non-Executive Director	5 of 5
Samira Anane	Non-Executive Director	3 of 3
Beatrice Fraenkel	Non-Executive Director	1 of 1
Meb Vadiya	Associate Non-Executive Director	1 of 1
Executive Directors		
Karen James	Chief Executive	4 of 5
Amanda Bromley	Director of People & Organisational Development	5 of 5
Nic Firth	Chief Nurse	2 of 5
John Graham	Chief Finance Officer / Deputy Chief Executive	5 of 5
Andrew Loughney	Medical Director	5 of 5
Jackie McShane	Director of Operations	4 of 5
Jonathan O'Brien	Director of Strategy & Partnerships	3 of 5
Caroline Parnell	Director of Communications & Corporate Affairs	4 of 5

Membership development and engagement

In July 2022, the Council of Governors approved a refreshed Membership Strategy and associated Action Plan. The guiding aims of the strategy are:

- To maintain a sizeable membership that is representative of the communities the Trust serves
- To develop an active and engaged membership

As with many Foundation Trusts, our membership plans were severely impacted by the pandemic, largely because of the limitations of social distancing, shielding and staff focusing on urgent operational issues. The refreshed Membership Strategy recognises the ongoing operational challenges and the changing health and social care landscape within which the Trust operates. In this light, our guiding principles and approach to membership continue to be:

- Membership activities should be of value to members of the Trust, public and the organisation
- Membership activities should be prioritised to ensure achievability within the time and resources available.

The Council of Governors established a Membership Development Group to oversee the implementation and delivery of the Membership Strategy and Action Plan, as well as support development of future plans and keep under review pertinent matters to the membership.

Following discussion at the MDG, a specific opportunity was identified to support governors in fulfilling their statutory responsibility to represent the interests of members and the public at large, by establishing a relationship with the Stockport Community Champions network. The Community Champions network includes almost 50 organisations, from larger “anchor” organisations to small community groups, with a specific focus on organisations representing those with protected

characteristics. This proposal was endorsed by the Council of Governors in September 2022. A number of governors have actively engaged with the network during the year, attending the Community Champions network meeting or the regular drop-in sessions to share information regarding the role of governors, key messages regarding the Trust operational performance and key strategic developments, and signposting information (if needed), alongside a continued emphasis on seeking feedback from representatives at the meeting.

Members' seminars

We also saw the re-introduction of our seminars for members, with two successful held on site during the year. The first of these was held in December 2022, focusing on our new Emergency & Urgent Care Campus under construction on the Stepping Hill Hospital site. Over 60 members attended the event and heard first hand from those involved in addressing the challenges and improvements being made to make sure patients receive the care that they need as quickly as possible.

The second members' seminar took place in March 2023, focusing on Nutrition & Hydration. The event attracted around 50 members who heard about the Trust's award winning catering service, why good nutrition & hydration is important to health and wellbeing and the work taking place to support good nutrition & hydration for our patients. At the conclusion of the presentations, members were able to sample patient food and both events provided an opportunity to meet with governors to share feedback.

Communication with members

With regard to methods of communicating with members, we:

- continued to circulate a members newsletter three times a year that highlighted the latest news about the organisation's activities as well as profiling the work of the governors
- held an annual members' meeting, which attracted over 60 members and provided a vibrant opportunity to ask questions of the Board
- continued to share social media messages and held a members' week, with a spotlight on governors and messaging to encourage people to join as members.

NHS Oversight Framework

NHS England's NHS Oversight Framework provides the framework for overseeing systems including providers and identifying potential support needs. NHS organisations are allocated to one of four 'segments'.

A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). A segment does not determine specific support requirements. By default, all NHS organisations are allocated to segment 2 unless the criteria for moving into another segment are met. These criteria have two components:

- a) objective and measurable eligibility criteria based on performance against the six oversight themes using the relevant oversight metrics (the themes are: quality of care, access and outcomes; people; preventing ill-health and reducing inequalities; leadership and capability; finance and use of resources; local strategic priorities)
- b) additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity.

An NHS foundation trust will be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions.

Stockport NHS Foundation Trust was placed in segment 3 throughout 2022-23. This segment information is the trust's position at 31st March 2023. Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website: <https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation/>.

Statement of Accounting Officer's Responsibilities

Statement of the chief executive's responsibilities as the accounting officer of Stockport NHS Foundation Trust

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

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

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

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

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

taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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



Karen James OBE

Chief Executive

27th June 2023

Annual Governance Statement

Scope of responsibility

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

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 Stockport NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Stockport NHS Foundation Trust for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Leadership and management of risk are provided through various responsible officers, committees and established systems and processes which interact as part of the Trust's risk management system. These include:

- The Board of Directors, with responsibility for developing and directing the risk management strategy for the Trust as well as defining its risk appetite.
- The Audit Committee, which is responsible for receiving and reviewing assurance on the overarching systems in place in the organisation to manage risk.
- The Chief Executive and designated Executive Directors with responsibility for specific areas of risk management.
- The Risk Management Committee, chaired by the Chief Executive and reporting to the Audit Committee, with responsibility for organisation-wide co-ordination and prioritisation of risk management issues.
- Through the Risk Management Committee systematic review, scrutiny and challenge of risk profiles across all divisions and key corporate functions is undertaken on a rotational basis.
- Operational divisional performance review process, providing a vehicle for review of risk from ward to board, and identification of emerging issues within the divisions, including issues that may need a cross division and/or Trust solution.
- The organisation's risk management policy clearly defines levels of authority to

manage and mitigate risks, according to risk score.

- An established clinical and corporate governance committee structure that provides the mechanisms for managing and monitoring quality, operational, people, financial and governance risks throughout the Trust, and ensuring alignment of strategic and operational risks.
- Systems in place to ensure good practice is identified and shared via corporate and divisional governance systems, including learning reports such as learning from deaths, patient safety report (thematic learning from complaints, incidents and claims) and management of all serious untoward incidents, including never events.
- Mandatory training for all staff that reflects essential training needs, and includes risk management processes such as fire safety, health and safety, manual handling, resuscitation, infection control, safeguarding patients, and information governance.
- General risk management training sessions, supplemented by focused training for individuals and teams with specific responsibility for co-ordinating and advising on aspects of risk management.
- General awareness raising on risk management issues through staff briefings, team brief, safety bulletins, induction and the intranet.

The risk and control framework

Risk management is recognised within the organisation as being fundamental to our ability to deliver quality services, improve and make better decisions and achieve our principal objectives as an organisation. The Trust has a Risk Management Strategy & Policy, approved by the Board of Directors, which sets out our approach to the management of risk and the systems to assist in the identification, assessment, control and monitoring of risk.

Our principal sources of risk identification are:

- our risk assessment process,
- incident reports and investigations,
- issues arising from complaints and claims
- identification of emerging risks through business intelligence

We use a 5 x 5 matrix to assess and rate risks on both the likelihood and consequence, to generate a risk score of between 1 and 25. The risk score then determines the level of escalation, management, and scrutiny required.

This risk assessment process applies to all types of risk, including clinical, financial and operational. Risk registers are maintained by each division and key corporate functions and are regularly reviewed at the divisions Quality Boards and via the Risk Management Committee respectively. Any risk with a residual score of 15 or above is placed on the Trust's Significant Risk Register, which is monitored monthly by the Risk Management Committee.

Board Assurance Framework

The Trust maintains a Board Assurance Framework (BAF) as a key tool to manage and mitigate strategic risk to the achievement of the corporate objectives that have been agreed by the Board. Each of the principal risks are assessed against a risk appetite as determined by the Board on an annual basis.

Without a clear connection between operational and principal risks, emerging strategic risks may not be identified in a timely way. Likewise, changes to the volume and/or profile of risks in the Significant Risk Register should inform prioritisation and mitigating action of principal risks. The ongoing process for review of the BAF and integration with the risk management system is described below.

Principal risks to the delivery of the Trust's Corporate Objectives 2022-23 were approved by the Board of Directors, alongside assignment to Board level Committee/s for regular oversight. During 2022-23, the BAF mapped 16 principal risks against our corporate objectives. These key issues were reflected in the agendas of the Board meetings and the respective Board Committees, with specific consideration of mitigating action, including, for some risks, action that did not sit wholly within the Trust's control. The major risks identified during the year related to achievement of national access standards and ability to deliver effective patient flow to support the delivery of quality care alongside realisation of an optimum workforce and the wellbeing of our people. Achievement of the Trust's financial plan and future financial sustainability was also recognised as a significant risk.

During 2022-23, the Trust's internal auditor confirmed that the Trust's assurance framework was structured to meet the NHS requirements, was visibly used by the organisation's board and clearly reflected the risks discussed by the Board.

The Board of Directors has several committees to provide assurance, and each is chaired by a Non-Executive Director. These include the Finance and Performance Committee, Quality Committee and People Performance Committee. Reports from these committees detail the key issues considered by the committees and associated risks and assurances. They are presented by the chairs of the committees at each Board of Directors meeting. Furthermore, the Chairs of the Board assurance committees are all members of the Audit Committee and provide update as to if and how significant risks identified by the Risk Management Committee are being addressed or monitored via their Board Committee and effectiveness of controls in place to manage significant risks within their remit of responsibility.

Over recent years the Board of Directors has fully acknowledged that the effectiveness of some of its governance systems and processes and risk management approach has not been where it should be. As part of the internal audit plan 2022-23, the review of risk management process reported substantial assurance and identified that the Trusts

risk management process was designed and operating effectively, with some enhancements identified which would further improve controls. The implementation of which will be monitored via Audit Committee.

The Stockport NHS Foundation Trust Quality Strategy, was approved in August 2021, providing clear quality goals relating to improving the first 1000 days of life, reducing avoidable harm and improving the last 1000 days of life. Specific aims and objectives for quality projects are in place, with targets monitored via the Quality & Safety Integrated Performance Report, and broader suite of reports considered by the Board's Quality Committee.

The introduction of the Stockport Accreditation & Recognition Scheme (StARs) in 2021-22, supports clinical staff in practice to understand how they deliver care, identify what works well and where further improvements are needed. StARS is now in place for inpatient and community areas, alongside maternity, with systems for Outpatients and Theatres in development. StARS measures the quality of care provided by individuals and teams throughout the Trust, incorporating key clinical indicators and providing evidence for the Care Quality Commission's Fundamental Standards. Standards are revised regularly considering best practice and emergent quality related matters. All wards have now been accredited, ratings published and action plans in place, as reported via the Board's Quality Committee.

Our Serious Incident Policy aims to ensure that when a serious event or incident happens, thorough investigation is undertaken, lessons learned and disseminated throughout the organisation, as well as to partner organisations as appropriate, to try to reduce the likelihood of similar incidents happening in the future. Recent internal audit of the serious incident process provided substantial assurance, concluding that overall, the escalation of serious incidents through to the Serious Incident Review Group (SIRG) was operating effectively with a consistent process adopted by the divisions. We work hard to foster an open and accountable reporting culture, and this is reflected in the feedback in the annual NHS Staff Survey. Staff are encouraged to identify and report incidents with an online reporting tool, and we have high levels of incident reports.

During 2022-23 the Trust identified 0 never events that required reporting to the CQC, NHS England, and commissioners. Although we did not declare a never event, the Trust continues to prioritise safe systems of working, and lesson learning from all incidents to ensure the safety of our patients and staff.

Risks or developments that may have an impact on the quality of care are identified through the completion of quality and equality risk assessments for both business cases and cost improvement schemes. These assessments are subject to validation by the Medical Director and Chief Nurse, and we seek to engage proactively with the

public and external stakeholders about the management of any risks that may impact on them.

Any information governance risks, including those related to data security, are subject to our risk assessment process, with escalation through to the trust's risk register as appropriate. Data security is incorporated into annual data security awareness training that is mandatory for all staff and compliance levels are monitored by the information governance and security group, and where appropriate, reported to the Finance & Performance Committee and the Audit Committee.

During 2022-23 the Board continued its journey to address or improve some areas of its operations in line with NHS England Well Led Framework, and agreed an approach to which would lead to an independent external review in 2023-24.

In July 2022, the Board agreed an approach to Well Led for 2022-23 – 2023-24. In line with the agreed approach, a comprehensive self-assessment was undertaken utilising the Well Led Framework for Governance. The outcome of the self-assessment, including position statement against all Key Lines of Enquiry (KLOE's) and sources of evidence, was considered, and supported by the Board of Directors in March 2023. The Trust will seek to commission an independent development review during Q1-Q2 2023-24 supporting focus on continuous improvement.

The systems and processes implemented as part of the risk and control framework, together with our quality governance arrangements, aim to provide assurance on the validity of our Corporate Governance Statement, as required under the NHS foundation trust condition 4(8)(b).

An assessment of compliance with the NHS provider condition 4 has been completed in year, confirming that no material risks had been identified during 2022-23 and that effective systems and processes are in place to maintain and monitor the following conditions:

- The effectiveness of governance structures
- The responsibilities of directors and subcommittees
- Reporting lines and accountabilities between the board, its subcommittees and the executive team
- The submission of timely and accurate information to assess risks to compliance with the trust's licence
- The degree and rigour of oversight the Board has over the Trust's performance

These conditions are detailed within the Corporate Governance Statement, the validity of which is assured via the Audit Committee

With regards to the Developing Workforce Safeguards we are fully compliant and followed national guidance in relation to safe staffing governance. The Board of Directors receives information relating to its people via the integrated performance report, which includes information for all staff groups on temporary staffing usage, sickness absence and training and development. The Board also receives a regular safer care report, which evidences our approach to safe staffing for both nursing and medical colleagues. Through these reports the chief nurse and medical director provide the latest position in relation to key care staffing assurances, challenges regarding maintaining safe staffing levels and the actions being taken to mitigate risks identified and the measures being implemented to enable employees to safely remain in work by supporting their health and wellbeing.

We have staffing in extremis guidelines in place to respond to unplanned workforce challenges. This guidance aims to help manage daily staffing levels to ensure safe, effective patient care. Reviews take place three times a day and the outcomes are shared with ward managers, night sisters, matrons, associate nurse directors, the deputy chief nurse and chief nurse, as well as on-call teams. In response to industrial action experienced during 2022-23, the Trust's established an Emergency Preparedness /Industrial Action Planning Group to oversee the planning and response to any action being taken and to ensure the Trust continued providing safe patient care during this period. Colleagues across Greater Manchester met frequently to share good practice and to seek consistency in response. The Trust's normal incident command and control structures were instigated during strike action, and although there was inevitably a greater impact on performance, safe patient care was maintained throughout.

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

The foundation trust has published on its website an up-to-date register of interest, including gifts and hospitality, for decision making staff (as defined by the trust with reference to the guidance) within the past 12 months as required by the Managing Conflicts of Interest guidance.

As an employer with staff entitled to membership of the NHS Pension Scheme, we have control measures 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 in place to ensure that all of our obligations under equality, diversity and human rights legislation are complied with.

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

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

The Trust's financial plan for 2022-23, agreed as part of the Greater Manchester Integrated Care System, was a £23m deficit after applying an £18m cost improvement programme of savings. The deficit plan reflected the Trust's historic funding challenges which existed before the Covid-19 pandemic. As previously described, achievement of the Trust's financial plan and future financial sustainability was recognised as a significant risk within year. The Board of Directors considered a range of assurance sources to manage its resources economically, efficiently and effectively, thus resulting in continued delivery of services and delivery of the financial plan.

Further to approval of the annual operational and financial plan and opening budgets by the Board of Directors, assurance was provided through scrutiny of performance including:

- Bimonthly reporting to the Board of Directors of key performance indicators triangulating finance, access, quality and workforce standards.
- Scrutiny of a suite of financial performance metrics against the approved financial plan by the Finance & Performance Committee of the Board, alongside monitoring delivery of strategic change and cost improvement programmes.
- Executive Director led operational divisional performance review meetings.

The Trust's resources are managed in line with the Standing Financial Instructions and Scheme of Delegation which is reviewed regularly by the Audit Committee, and subsequently approved by the Board of Directors.

The annual internal audit programme is built from a risk assessment considering national and local system risks, place based developments and local strategic risk assessment. The outcome of individual audits supports in providing assurance to the Audit Committee about the operational arrangements to secure economy, efficiency and effectiveness in the use of resources.

Information governance

Key issues and assurances relating to information governance, data protection and data quality are reviewed by the information governance and security group, with key issues update provided to Digital and Informatics Group which reports into the Board's Finance and Performance Committee.

As well as adopting proactive technical and organisational measures to prevent the loss of data and improve cyber security, the group ensures that specific procedures for

detecting, reporting and dealing with any issues of data loss and breaches are in place. These actions include:

- controls for the encryption of mobile devices and removable media, including use of email encryption software
- email and web security controls to protect against malicious software and websites
- regular security updates and patching applied to digital hardware and systems in line with NHS Digital threat advice and alerts
- independent security assessments and penetration testing of the digital infrastructure
- ongoing review of information flows of personal identification data, internally and externally, and ensuring appropriate measures to maintain legitimate and secure transfer of data
- ongoing review of information assets to ensure they are appropriately risk assessed and that security measures are in place to maintain confidentiality, integrity and availability of data
- undertaking data protection impact assessments of new information assets to ensure they comply with data protection principles and security requirements
- review of information governance and security policies, procedures and guidance issued around handling and sharing of personal data in compliance with the UK General Data Protection Regulations (GDPR) and Data Protection Act 2018
- compliance with annual data security awareness training as part of the Trust mandatory training programme
- maintaining ISO 27001 accreditation for our digital infrastructure, which is an international best practice standard in information security management,
- maintaining accreditation to the NHS secure email standard (DCB 1596) for our email service to enable secure communication and information sharing with other accredited organisations, including NHS, local authorities, police and partner agencies.
- compliance with the annual NHS Data Security and Protection Toolkit (DSPT) assessment to meet the ten national data guardian standards.

We have a Board-level senior information risk owner with lead responsibility for ensuring that information risk is properly identified, managed and appropriate assurance mechanisms exist. This role is undertaken by the Deputy Chief Executive/Chief Finance Officer. The Trusts Medical Director is our Caldicott Guardian with responsibility for ensuring patient confidentiality and information sharing. The Trust has a Data Protection Officer, which is a mandatory requirement for public authorities, to ensure our compliance with the Data Protection Act and associated legislations and standards.

The annual assessment against the DSPT submission deadline was extended to 30 June 2023 instead of 30 April as per previous year. The toolkit is a mandatory

requirement to provide assurance of good information governance and data security practices.

A similar audit undertaken last year for the 2021-22 DSPT assessment provided moderate assurance against the 10 national data guardian standards.

The Trusts DSPT assessment submission for 2021-2022 was published as "Approaching Standards". This was due to the Trust's compliance for annual data security awareness training being 92% of staff having completed this training before the annual expiry date. The required measure for the standard is 95%. This was primarily due to additional work pressures on front line staff, which caused a delay in maintaining compliance with their mandatory training as well as an increased staff absence over the last two years. The Trust is aiming to achieve full compliance with the DSPT standards when next published, although challenges in meeting the 95% staff data security awareness training compliance remain.

The Trust proactively report and investigate all information governance related incidents that may impact on confidentiality, integrity and availability of data on our internal incident management system, as well as via the NHS DSPT reporting tool as required.

During 2022-23 the Trust reported 4 information governance incidents via the DSPT reporting tool to the Information Commissioners Office (ICO) that meet their reporting criteria threshold. All incidents resulted in no further action by the ICO. These incidents related to breaches of confidentiality where personal data had been disclosed in error or by unauthorised access. Each incident was fully investigated, and appropriate action taken to prevent similar incidents in the future and lessons learned. Individuals affected are formally notified by letter of any breach of their confidentiality.

Data quality and governance

The Trust recognises that high quality data is an essential part of delivering high quality patient care. It is the responsibility of all staff to ensure timely and accurate capture of information to ensure high standards of data quality as defined in the Trust Data Quality Policy.

The information governance and security group who receive reports from the data quality assurance group, providing assurance on the accuracy, completeness and timeliness of data critical to key processes, pathways and performance indicators and ensuring that system users are engaged in the continuous improvement of data quality through informed discussion and shared knowledge. The group ensures:

- compliance with all relevant Information Standard Notices published by NHS Digital.
- that data is of a high standard to support patient care and safety; effective decision making and meets financial and contractual performance frameworks.

- compliance with the information and data assurance elements of the Data Security and Protection Toolkit.

From the latest nationally published Data Quality Maturity Index (DQMI) the Trust score is 96.8 against a national position of 78.1.

In 2022, the Trust received the national Clinical Coding CHKS Data Quality award for Acute NHS Trusts, this was an award for excellence in data quality, recognising the importance of accurate clinical coding and the essential role this plays in improving the quality of patient care.

During the year, an internal audit was conducted regarding Board Reporting – Provenance of Data. The overall objective of the audit was to review the systems and controls in place that ensure that information provided to the Trust Board and its decision-making committees is consistent, accurate, timely, valid and complete. Overall, the review provided high assurance, and identified that the Trust has robust systems and processes that can be relied upon to demonstrate that the information provided to the Trust Board, and its decision-making committees, is reliable. The Trust continues to keep under review the data sources presented to the Board and its decision-making committees, to remain confident that this is appropriate and reflective of the corporate objectives.

The quality and accuracy of elective waiting time data is assured as part of the above process. The divisional performance review process also ensures elective access waiting times are managed and monitored at a divisional level.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the Head of Internal Audit Opinion, the work of the internal auditors, clinical audit, and the executive managers and clinical leads within Stockport NHS Foundation Trust, who have responsibility for the development and maintenance of the internal control framework.

I have drawn on 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, the Audit Committee, the other committees that form part of the organisation's assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The clinical and corporate governance structures in place have been strengthened over recent years and continue to be reviewed both internally and via independent sources. The current governance architecture in place supports information flow and

escalation of emergent issues to the relevant Board assurance committee, and the Board of Directors as appropriate.

The Audit Committee has a specific remit to assess the effectiveness of internal controls and systems. In carrying out its responsibilities, the Audit Committee approved a comprehensive risk-based internal audit programme, which was delivered in full during 2022-23. Audit Committee considered the outcomes of work undertaken by internal audit to test system effectiveness, including review of actions being taken to address audit recommendations, specifically ensuring appropriate plans are in place to address any audits that result in a limited assurance assessment. The Audit Committee presents a key issues report to the Board.

In May 2023, the Audit Committee received the Head of Internal Audit Opinion that provided substantial assurance and concluded that the organisation has “a good system of internal controls designed to meet the organisation’s objectives, which are generally being applied consistently.”

In describing the process that has been applied in maintaining and reviewing the effectiveness of internal control I have considered:

- The Board Assurance Framework, which provides the Board with evidence of the effectiveness of the system of internal controls that manage the principal risk to the organisation’s strategic objectives.
- Committees within the Board’s committee structure have a clear timetable of meetings, annual work plans, and a clear reporting structure that enables matters to be reported and/or escalated in a timely manner.
- The Head of Internal Audit Opinion, which provided 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.
- The process for the follow-up of audit recommendations, which is monitored by the Audit Committee.
- The organisation and its services continue to be registered with the Care Quality Commission.
- The outcome of other external inspections, accreditations and reviews as detailed throughout the Annual Report.

Conclusion

The Board of Directors has continued to provide leadership to and monitor the effectiveness of the system of internal control in place at Stockport NHS foundation Trust.

The systems and processes described in this Annual Governance Statement including internal and external reviews, audits and inspections, provide sufficient evidence to

state that no significant internal control issues have been identified and that Stockport NHS Foundation Trust has generally sound systems of internal control that support the achievement of its policies, aims and objectives. The organisation will not stand still and will continue to work collaboratively on its improvement journey in 2023-24.



Karen James OBE

Chief Executive

27th June 2023

Independent Auditor's report to the Council of Governors of Stockport NHS Foundation Trust

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Stockport NHS Foundation Trust ('the Trust') and its subsidiaries ('the Group') for the year ended 31 March 2023 which comprise the Trust and Group Statements of Comprehensive Income, the Trust and Group Statements of Financial Position, the Trust and Group Statements of Changes in Taxpayers' Equity, the Trust and Group Statements of Cash Flows, and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual 2022/23 as contained in the Department of Health and Social Care Group Accounting Manual 2022/23, and the Accounts Direction issued under the National Health Service Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust and Group as at 31 March 2023 and of the Trust's and the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2022/23; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, and taking into account the requirements of the Department of Health and Social Care Group Accounting Manual, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's or the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Directors are responsible for the other information. The other information 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in these regards.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Accounting Officer is required to comply with the Department of Health and Social Care Group Accounting Manual 2022/23 and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another public sector entity. The Accounting Officer is responsible for assessing each year whether or not it is appropriate for the Trust and Group to prepare financial statements on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Trust and Group, we identified that the principal risks of non-compliance with laws and regulations related to the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012, and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Accounting Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Audit Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Trust and Group which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

making enquiries of management and the Audit Committee on whether they had knowledge of any actual, suspected or alleged fraud;
gaining an understanding of the internal controls established to mitigate risks related to fraud;

- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by

performing journal entry testing.

- addressing the risk of fraud in revenue recognition specifically around year end
- addressing the risk of fraud in expenditure by performing testing of expenditure and accruals in the final quarter of the year.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the Comptroller and Auditor General in April 2021.

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

Report on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have not completed our work on the Trust's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in January 2023, we have identified the following significant weakness in the Trust's arrangements for the year ended 31 March 2023.

In June 2022 we identified a significant weakness in relation to financial sustainability for the 2021/22 year. In our view this significant weakness remains for the year ended 31 March 2023:

Significant weakness in arrangements – issued in a previous year	Recommendation
In 2021/22 we reported a significant weakness in the Trust's arrangements to secure financial sustainability as a result of its cumulative deficit and a lack of clear plans to address this position without significant additional funding. These circumstances continue to exist and as such the previously reported significant weakness in arrangements to secure financial sustainability, remains in place.	The Trust should continue to work collaboratively with its Greater Manchester Integrated Care System partners and NHS England to explore and agree long term sustainable plans to bridge its funding gaps and savings.

We will report the outcome of our work on the Trust's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any further matters which we are required to report by exception.

Responsibilities of the Accounting Officer

The Chief Executive as Accounting Officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Trust's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

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

We are required under Schedule 10(1) of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2022/23; and

- the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required to report to you if:

- in our opinion the Annual Governance Statement does not comply with the NHS Foundation Trust Annual Reporting Manual 2022/23; or
- the Annual Governance Statement is misleading or is not consistent with our knowledge of the Trust and Group and other information of which we are aware from our audit of the financial statements; or
- we refer a matter to the regulator under Schedule 10(6) of the National Health Service Act 2006; or
- we issue a report in the public interest under Schedule 10(3) of the National Health Service Act 2006.

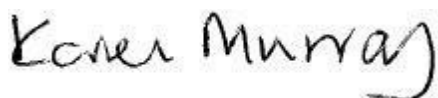
We have nothing to report in respect of these matters.

Use of the audit report

This report is made solely to the Council of Governors of Stockport NHS Foundation Trust as a body in accordance with Schedule 10(4) of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust as a body for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.



Karen Murray
Key Audit Partner For and on behalf of Mazars LLP

One St Peter's Square
Manchester
M2 3DE
28 June 2023

Audit Completion Certificate issued to the Council of Governors of Stockport NHS Foundation Trust for the year ended 31 March 2023

In our auditor's report dated 28 June 2023 we explained that the audit could not be formally concluded until we had completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

This work has now been completed.

No matters have come to our attention since 28 June 2023 that would have a material impact on the financial statements on which we gave our unqualified opinion.

The Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

In our auditor's report dated 28 June 2023 we reported that we had identified a significant weakness in the Trust's arrangements for the year ended 31 March 2023. On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in January 2023, we have no further matters to report in this respect.

Certificate

We certify that we have completed the audit of Stockport NHS Foundation Trust in accordance with the requirements of chapter 5 of part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Karen Murray

Key Audit Partner For and on behalf of Mazars LLP

One St Peter's Square
Manchester
M2 3DE
18 July 2023

Stockport NHS Foundation Trust

Annual accounts for the year ended 31 March 2023

Foreword to the accounts

Stockport NHS Foundation Trust

These accounts, for the year ended 31 March 2023, have been prepared by Stockport NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Signed



.....

Name	Karen James OBE
Job title	Chief Executive
Date	27 June 2023

Consolidated Statement of Comprehensive Income

	Note	Group		Trust	
		2022/23	2021/22	2022/23	2021/22
		£000	£000	£000	£000
Operating income from patient care activities	3	408,659	375,431	408,659	375,431
Other operating income	4	44,969	41,276	44,254	40,816
Operating expenses	6, 8	(458,472)	(411,294)	(457,888)	(410,792)
Operating surplus/(deficit) from continuing operations		(4,844)	5,413	(4,975)	5,455
Finance income	10	836	70	772	23
Finance expenses	11	(602)	(612)	(602)	(612)
PDC dividends payable		(4,753)	(3,607)	(4,753)	(3,607)
Net finance costs		(4,519)	(4,149)	(4,583)	(4,196)
Other gains / (losses)	12.1	23	560	87	426
Gains / (losses) arising from transfers by absorption	35	1,079	1,357	1,079	1,357
Corporation tax expense		(28)	(43)	0	-
Surplus / (deficit) for the year from continuing operations		(8,289)	3,138	(8,392)	3,042
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	14	-	-	-	-
Surplus / (deficit) for the year		(8,289)	3,138	(8,392)	3,042
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Impairments	7	(3,376)	(535)	(3,376)	(535)
Revaluations	16	14,325	8,809	14,325	8,809
Total comprehensive income / (expense) for the period		2,660	11,412	2,557	11,316
Surplus/ (deficit) for the period attributable to:					
Stockport NHS Foundation Trust		(8,289)	3,138	(8,392)	3,042
TOTAL		(8,289)	3,138	(8,392)	3,042
Total comprehensive income/ (expense) for the period attributable to:					
Stockport NHS Foundation Trust		2,660	11,412	2,557	11,316
TOTAL		2,660	11,412	2,557	11,316

The Group Accounts include the consolidated financial results of Stockport NHS Foundation Trust, its' associated Charity, Stockport NHS Foundation Trust General Fund (Charity Commission Number 1048661), and Stepping Hill Healthcare Enterprises Limited (trading as the Pharmacy Shop).

The Group Accounts reflect the outturn of the Trust of £8.4 million deficit in 2022/2023 (£3 million surplus in 2021/2022) and subsidiaries' profit of £117k for Stepping Hill Healthcare Enterprises Limited (£183k profit in 2021/2022). The Trust Charity has net movement in funds of £14k loss in 2022/2023 compared to net movement in funds of £87k outgoing resources in 2021/2022.

Statements of Financial Position

	Note	Group		Trust	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
		£000	£000	£000	£000
Non-current assets					
Intangible assets	13	8,378	7,509	8,378	7,509
Property, plant and equipment	14	215,902	185,570	215,902	185,570
Right of use assets	17	7,170	-	7,170	-
Other investments / financial assets	18	1,627	1,691	-	-
Receivables	22	757	766	757	766
Total non-current assets		233,835	195,536	232,208	193,845
Current assets					
Inventories	21	1,476	1,509	1,294	1,288
Receivables	22	23,950	11,726	24,533	12,968
Cash and cash equivalents	23	48,636	52,311	47,168	50,540
Total current assets		74,062	65,546	72,995	64,796
Current liabilities					
Trade and other payables	24	(76,659)	(62,394)	(77,096)	(62,980)
Borrowings	26	(3,948)	(1,754)	(3,948)	(1,754)
Provisions	27	(1,214)	(5,611)	(1,214)	(5,611)
Other liabilities	25	(5,110)	(4,774)	(5,110)	(4,774)
Total current liabilities		(86,931)	(74,533)	(87,368)	(75,119)
Total assets less current liabilities		220,966	186,549	217,835	183,522
Non-current liabilities					
Borrowings	26	(20,471)	(17,104)	(20,471)	(17,104)
Provisions	27	(2,982)	(4,122)	(2,982)	(4,122)
Other liabilities	25	-	(348)	-	(348)
Total non-current liabilities		(23,453)	(21,574)	(23,453)	(21,574)
Total assets employed		197,513	164,976	194,382	161,949
Financed by					
Public dividend capital		190,794	160,916	190,794	160,916
Revaluation reserve		66,011	55,062	66,010	55,062
Income and expenditure reserve		(61,848)	(53,573)	(62,422)	(54,029)
Charitable fund reserves	19	2,557	2,571	-	-
Total taxpayers' equity		197,513	164,976	194,382	161,949

The notes on pages 8 to 50 form part of these accounts.



Name : Karen James OBE

Position: Chief Executive

Date: 27th June 2023

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

Group	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
Taxpayers' and others' equity at 1 April 2022 - brought forward	160,916	55,062	(53,573)	2,571	164,976
Impact of implementing IFRS 16 on 1 April 2022	-	-	-	-	-
Surplus/(deficit) for the year	-	-	(8,653)	364	(8,289)
Impairments	-	(3,376)	-	-	(3,376)
Revaluations	-	14,325	-	-	14,325
Public dividend capital received	29,878	-	-	-	29,878
Other reserve movements	-	-	378	(378)	-
Taxpayers' and others' equity at 31 March 2023	190,794	66,011	(61,848)	2,557	197,513

Consolidated Statement of Changes in Equity for the year ended 31 March 2022

Group	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
Taxpayers' and others' equity at 1 April 2021 - brought forward	145,881	46,788	(56,798)	2,658	138,529
Prior period adjustment	-	-	-	-	-
Taxpayers' and others' equity at 1 April 2021 - restated	145,881	46,788	(56,798)	2,658	138,529
Surplus/(deficit) for the year	-	-	2,626	512	3,138
Impairments	-	(535)	-	-	(535)
Revaluations	-	8,809	-	-	8,809
Public dividend capital received	15,035	-	-	-	15,035
Other reserve movements	-	-	599	(599)	-
Taxpayers' and others' equity at 31 March 2022	160,916	55,062	(53,573)	2,571	164,976

Information on reserves

Public dividend capital

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

Revaluation reserve

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

Income and expenditure reserve - Group

The balance of this reserve is the accumulated surpluses and deficits of the Trust.

Income and Expenditure Reserve - Trust

The balance of this reserve is the accumulated surpluses and deficits of the Trust.

Charitable funds reserve

This reserve comprises the ring-fenced funds held by the NHS charitable funds consolidated within these financial statements. These reserves are classified as restricted or unrestricted; a breakdown is provided in note 19.

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

Trust	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2022 - brought forward	160,916	55,062	(54,029)	161,949
Impact of implementing IFRS 16 on 1 April 2022				-
Surplus/(deficit) for the year			(8,392)	(8,392)
Impairments		(3,376)		(3,376)
Revaluations		14,324		14,324
Public dividend capital received	29,878			29,878
Taxpayers' and others' equity at 31 March 2023	190,794	66,010	(62,422)	194,382

Statement of Changes in Equity for the year ended 31 March 2022

Trust	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2021 - brought forward	145,881	46,788	(57,070)	135,598
Surplus/(deficit) for the year			3,042	3,042
Impairments		(535)		(535)
Revaluations		8,809		8,809
Public dividend capital received	15,035			15,035
Taxpayers' and others' equity at 31 March 2022	160,916	55,062	(54,029)	161,949

Statements of Cash Flows

	Note	Group		Trust	
		2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000
Cash flows from operating activities					
Operating surplus / (deficit)		(4,844)	5,413	(4,975)	5,454
Non-cash income and expense:					
Depreciation and amortisation	6.1	16,956	13,092	16,956	13,092
Net impairments	7	5,760	(639)	5,760	(639)
(Increase) / decrease in receivables and other assets		(12,406)	3,982	(11,723)	4,237
(Increase) / decrease in inventories		33	43	(6)	68
Increase / (decrease) in payables and other liabilities		13,939	9,060	13,775	9,448
Increase / (decrease) in provisions		(5,489)	3,454	(5,489)	3,454
Movements in charitable fund working capital		24	-	-	-
Tax (paid) / received		(43)	(24)	-	-
Other movements in operating cash flows		67	-	67	-
Net cash flows from / (used in) operating activities		13,997	34,381	14,365	35,114
Cash flows from investing activities					
Interest received		637	23	637	23
Purchase of intangible assets		(1,796)	(4,932)	(1,796)	(4,932)
Purchase of PPE and investment property		(37,938)	(22,081)	(37,938)	(22,081)
Sales of PPE and investment property		87	426	87	426
Net cash flows from charitable fund investing activities		64	47	-	-
Net cash flows from / (used in) investing activities		(38,946)	(26,517)	(39,010)	(26,564)
Cash flows from financing activities					
Public dividend capital received		29,878	15,035	29,878	15,035
Movement on loans from DHSC		(1,551)	(1,551)	(1,551)	(1,551)
Capital element of lease liability repayments		(2,199)	(17)	(2,199)	(17)
Capital element of PFI, LIFT and other service concession payments		(34)	(32)	(34)	(32)
Interest on loans		(577)	(637)	(577)	(637)
Interest paid on lease liability repayments		(79)	-	(79)	-
Interest paid on PFI, LIFT and other service concession obligations		(8)	(8)	(8)	(8)
PDC dividend (paid) / refunded		(4,156)	(3,334)	(4,156)	(3,334)
Net cash flows from / (used in) financing activities		21,274	9,456	21,274	9,456
Increase / (decrease) in cash and cash equivalents		(3,675)	17,320	(3,372)	18,006
Cash and cash equivalents at 1 April - brought forward		52,311	34,991	50,540	32,534
Cash and cash equivalents at 31 March	23	48,636	52,311	47,168	50,540

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS England has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2022/23 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.

Note 1.3 Consolidation

NHS Charitable Funds

The Trust is the Corporate Trustee to Stockport NHS Foundation Trust General Fund. The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Trust is 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 2023 in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the trust's accounting policies and
- eliminate intra-group transactions, balances, gains and losses.

Other subsidiaries

Stepping Hill Healthcare Enterprises Limited

Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year.

Where subsidiaries' accounting policies are not aligned with those of the Trust (including where they report under UK FRS 102) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

Stepping Hill Healthcare Enterprises Limited is a limited company of which its principal activities are to dispense drugs to the outpatients of Stockport NHS Foundation Trust. The Company is wholly owned by Stockport NHS Foundation Trust.

The company's latest accounting period to the 31st March 2022 have been prepared and submitted to Companies House with the next reporting period accounts to the 31st March 23 due by the 31st December 2023. It has taken advantage of the small company exemption from audit under section 479A of the Companies Act 2006 which does not require an audit if included in the parent's consolidated accounts.

Note 1.4 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity.

In 2022/23 fixed payments are set at a level assuming the achievement of elective activity targets. These are termed 'aligned payment and incentive' contracts.

Elective recovery funding provides additional funding for the delivery of elective services. In 2022/23 elective recovery funding was included within the aligned payment and incentive contracts. In 2021/22 income earned by the system based on achievement of elective recovery targets was distributed between individual entities by local agreement and income earned from the fund was accounted for as variable consideration.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner. In 2022/23 payment under these schemes is included in fixed payments from commissioners based on assumed achievement of criteria.

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 grant is used to fund capital expenditure, it is credited to the consolidated 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.

Trading Activities

The Trust has assessed other sources of operating income for inclusion under IFRS 15. For example the Trust generates income under commercial contracts for its Pharmaceuticals Manufacturing Service, Aseptics Unit and Quality Control. Income under these contracts is recognised for the development, manufacture and ongoing supply of products. Income is generated through invoices under which payment terms are agreed at 30 days unless otherwise negotiated.

Other income recognised under IFRS 15 includes catering and car parking income where revenue streams are recognised at the point of sale where an oral contract is implied and ticket issued.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

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 (i.e. operational assets used to deliver either front line services or corporate 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.

The Trust requested a valuation of its land and building at the 31st March 2023. Valuations are carried out by the District Valuer, who is external to the Trust, and in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

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

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

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

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.

Plant and Equipment are depreciated evenly over the estimated life of the asset, as follows:

	Min life Years	Max life Years
Medical equipment, engineering plant and equipment : 5 to 15 years	5	15
Transport equipment: 5 to 7 years	5	7
Office and Information technology equipment: 5 years	5	5
Furniture & fittings: 5 to 10 years	5	10
Soft Furnishings: 5 to 7 years	5	7
Set up costs (eg equipment < £5,000 in new buildings: 10 years	10	10

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.

This includes assets donated to the Trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the Trust applies the principle of donated asset accounting to assets that the Trust controls and is obtaining economic benefits from at the year end.

Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

PFI and LIFT transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's Financial Reporting Manual (*FReM*), are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with HM Treasury's *FReM*, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, the charges for services and lifecycle replacement of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as a finance cost as incurred.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

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
Buildings, excluding dwellings	24	29
Dwellings	30	40
Plant & machinery	5	15
Transport equipment	5	7
Information technology	5	10
Furniture & fittings	5	10

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

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

Amortisation

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

Useful lives of intangible assets

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

	Min life Years	Max life Years
Software licences	3	10

Note 1.11 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method. For Pharmacy stocks inventory is measured at average cost.

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 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 1.13 Financial assets and financial liabilities

Recognition

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

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

Note 1.13 Financial assets and financial liabilities

Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure or fair value through other comprehensive income.

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

Financial assets and financial liabilities at amortised cost

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

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

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

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 profit and loss

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.

The Group measures the pooled Charity Common Investment Fund with CCLA as a financial asset at fair value through profit and loss.

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).

Impairment of financial assets continued

The Trust has assessed its receivables on an individual basis for expected credit losses and impaired these where judged to be necessary. The Trust Injury Cost Recovery Scheme income is reduced by a nationally agreed expected credit loss percentage. The Trust does not normally recognise expected credit losses for other NHS bodies except for circumstances of genuine dispute.

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 1.14 Leases

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

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

The Trust as 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 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term or other systematic basis. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. The Trust has valued right of use assets at depreciated historic cost based on the original lease liability. 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.

Note 1.14 Leases continued

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

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury has been applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

The standard has been applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 have only been applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments have not been revisited.

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the statement of financial position immediately prior to initial application. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

No adjustments have been made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets has a value below £5,000. No adjustments have been made in respect of leases previously classified as finance leases.

The Trust as lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16.

2021/22 comparatives

Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021/22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight line basis.

Note 1.15 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2023:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	3.27%	0.47%
Medium-term	After 5 years up to 10 years	3.20%	0.70%
Long-term	After 10 years up to 40 years	3.51%	0.95%
	Exceeding 40 years	3.00%	0.66%

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 2023:

	Inflation rate	Prior year rate
Year 1	4.00%	4.00%
Year 2	0.60%	2.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 1.70% in real terms (prior year: minus 1.30).

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 28 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.16 Contingencies

Contingent assets (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 29 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 29, 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 1.17 Public dividend capital

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

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

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

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

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

Note 1.18 Value added tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.19 Corporation tax

Health Service bodies, including Foundation Trusts, are exempt from taxation on their principal healthcare income under section 519A ICTA 1988. The Trust may incur corporation tax through its wholly owned subsidiary Stepping Hill Healthcare Enterprises Limited.

Note 1.20 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 1.21 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 1.22 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 1.23 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 1.24 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 1.25 Transfers of functions [to / from] [other NHS bodies / local government bodies]

For functions that have been transferred to the Trust from another NHS / local government body, the transaction is accounted for as a transfer by absorption. The assets and liabilities transferred are recognised in the accounts using the book value as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain / loss corresponding to the net assets/ liabilities transferred is recognised within income / expenses, but not within operating activities.

For property, plant and equipment assets and intangible assets, the cost and accumulated depreciation / amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the Trust has transferred to another NHS / local government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss / gain corresponding to the net assets/ liabilities transferred is recognised within expenses / income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve. Adjustments to align the acquired function to the Trust's accounting policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

Note 1.26 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2022/23.

Note 1.27 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases - application of liability measurement principles to PFI and other service concession arrangements

From 1 April 2023, the measurement principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to [a price index representing the rate of inflation]. The PFI liability will be remeasured when a change in the index causes a change in future repayments and that change has taken effect in the cash flow. Such remeasurements will be recognised as a financing cost. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred.

Initial application of these principles will be on 1 April 2023 using a modified retrospective approach with the cumulative impact taken to reserves. This is expected to result in an increased PFI liability on the statement of financial position. The effect of this has not yet been quantified.

Other standards, amendments and interpretations

IFRS 17 Insurance Contracts was issued on May 18 2017 and is applicable for periods beginning on or after 1 January 2023. However, IFRS 17 is being applied by HM Treasury in the Government Financial Reporting Manual (FReM) from 1 April 2025 (with limited options for early adoption).

Note 1.28 Critical judgements in applying accounting policies

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

The Trust uses the District Valuer service to provide revalued amounts for its land, buildings and dwellings. These valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. In 2022/2023 the Trust has undertaken a review exercise of its alternative site valuation of land and buildings. The valuation at the 31st March 2023 has been judged as material to update and the subsequent increase to assets has been enacted through the revaluation reserve.

The Trust has chosen to value right of use assets, after initial recognition, at depreciated historic cost based on the original lease liability.

Note 1.29 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:

Since the start of the pandemic, DHSC has provided centrally procured personal protective equipment to Trusts free of charge. It is not the Trust's accounting policy to include such items as inventories on the Statement of Financial Position and they are not considered material to do so. In 2022/23 the Trust has continued to account for centrally received PPE through the income and expenditure account.

Other provisions includes estimated costs associated with banding claims by specific sections of the workforce and also include estimates of costs for employment legal cases.

Note 2 Operating Segments

In line with IFRS 8 on Operating Segments, the Board of Directors, as Chief Operating Decision Maker (CODM), have assessed that the Trust continues to report its Annual Accounts on the basis that it operates as a single entity in the healthcare segment only. The accompanying financial statements have consequently been prepared under one single operating segment.

All of the Foundation Trust's activities are in the provision of healthcare, which is an aggregate of all the individual specialty components included therein, and the very large majority of the healthcare services provided occur at the one geographical main site. Similarly, the large majority of the Foundation Trust's revenue originates with the UK Government; namely through contracts with NHS Commissioners. The majority of expenses incurred are payroll expenditure on staff involved in the production or support of healthcare activities generally across the Trust together with the related supplies and overheads needed to establish this production. The business activities which earn revenue and incur expenses are therefore of one broad combined nature and therefore on this basis one segment of 'Healthcare' is deemed appropriate. In applying the aggregation criteria the CODM also recognises that the Trust's divisions operate under one common regulatory framework.

In consolidating the charitable funds the Trust has considered the level of its charitable funds and has considered them immaterial to report as a separate operating segment as the charitable funds revenue are not 10% or more of the combined assets of all operating segments.

In consolidating the financial results of the Stepping Hill Healthcare Enterprises Limited Company, the Trust considers that the provision of an outpatient dispensing service to patients still falls under the healthcare operating segment. In addition its revenue streams are also not 10% or more than all the combined assets of all operating segments.

The Trust's view on segmental reporting remains unchanged from its financial statements in 2021/2022. The Board, as Chief Operating Decision Maker, does not receive separate information routinely to evaluate how to allocate resources and assess performance as described within IFRS 8 Operating Segments for any of its internal divisions and continues with its integrated division structures with services aligned across all the divisions.

Note 3 Operating income from patient care activities (Group and Trust)

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)	Foundation Trust and Group	
	2022/23	2021/22
	£000	£000
Acute services		
Income from commissioners under API contracts*	324,815	318,068
High cost drugs income from commissioners (excluding pass-through costs)	12,975	12,853
Other NHS clinical income	1,294	589
Community services		
Income from commissioners under API contracts*	28,967	26,168
Income from other sources (e.g. local authorities)	5,671	5,642
All services		
Elective recovery fund	12,906	1,819
Additional pension contribution central funding**	11,002	10,004
Agenda for change pay award central funding***	10,559	-
Other clinical income	470	288
Total income from activities	408,659	375,431

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2022/23 National tariff payments system documentation.

<https://www.england.nhs.uk/publication/past-national-tariffs-documents-and-policies/>

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

***In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023

Note 3.2 Income from patient care activities (by source)	Foundation Trust and Group	
	2022/23	2021/22
	£000	£000
Income from patient care activities received from:		
NHS England	38,226	26,279
Clinical commissioning groups	82,297	342,633
Integrated care boards	280,701	-
Other NHS providers	1,178	510
NHS other	116	79
Local authorities	5,671	5,642
Injury cost recovery scheme	470	288
Total income from activities	408,659	375,431
Of which:		
Related to continuing operations	408,659	375,431

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2022/23	2021/22
	£000	£000
Cash payments received in-year	2	2
Amounts added to provision for impairment of receivables	2	-
Amounts written off in-year	27	-

Note 4 Other operating income (Group)

	2022/23			2021/22		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	895	-	895	822	-	822
Education and training	13,453	661	14,114	9,902	757	10,659
Reimbursement and top up funding	947		947	878		878
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response		838	838		893	893
Charitable fund incoming resources		364	364		331	331
Stockport Pharmaceuticals and Quality Control	5,537		5,537	5,938		5,938
Stockport Healthcare Enterprises Ltd income	4,529		4,529	4,717		4,717
Local Authorities	3,092		3,092	2,468		2,468
NHS and WGA Bodies	8,908		8,908	10,346		10,346
Non-NHS Bodies	3,661		3,661	2,716		2,716
Rents and car parking income	1,229		1,229	688		688
Catering sales	499		499	386		386
Other income	356	-	356	434	-	434
Total other operating income	43,106	1,863	44,969	39,295	1,981	41,276

Of which:

Related to continuing operations	44,969	41,276
----------------------------------	--------	--------

* During 2022-2023 the Trust was in receipt of centrally procured personal protective equipment. The notional income and expenditure of items provided are accounted for at the costs per month provided by the DHSC for inclusion in the financial statements. This value has been assessed as £838,000 (£893,000 in 2021-22). Notional expenditure is recorded within operating expenses.

Note 4.1 Other operating income (Trust)

	2022/23			2021/22		
	income	contract	Total	income	contract	Total
	£000	£000	£000	£000	£000	£000
Research and development	895	-	895	822	-	822
Education and training	13,452	661	14,113	9,902	757	10,659
Reimbursement and top up funding	947		947	878		878
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response		838	838		893	893
Charitable and other contributions to expenditure		378	378		599	599
Stockport Pharmaceuticals and Quality Control	5,537		5,537	5,938		5,938
Pharmacy Sales	4,085		4,085	4,462		4,462
Local Authorities	3,092		3,092	2,468		2,468
NHS and WGA Bodies	8,908		8,908	10,408		10,408
Non-NHS Bodies	3,661		3,661	2,615		2,615
Rents and car parking income	1,229		1,229	688		688
Catering sales	499		499	386		386
Other income	72	-	72	-	-	-
	42,377	1,877	44,254	38,567	2,249	40,816

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

	Foundation Trust and Group	
	2022/23	2021/22
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	4,173	4,095

Note 5.2 Transaction price allocated to remaining performance obligations

	Foundation Trust and Group	
	31 March	31 March
	2023	2022
	£000	£000
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:		
within one year	5,110	4,774
after one year, not later than five years		348
Total revenue allocated to remaining performance obligations	5,110	5,122

The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed.

Note 5.3 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	Foundation Trust and Group	
	2022/23	2021/22
	£000	£000
Income from services designated as commissioner requested services	408,189	375,143
Income from services not designated as commissioner requested services	470	288
Total	408,659	375,431

Note 5.4 Profits and losses on disposal of property, plant and equipment

In 2022/2023 the Trust has disposed of property, plant, equipment and transport with a gain on the disposal of equipment of £87,000. The gain recognised is the cash proceeds from the sale of these disposed assets the largest amount received being £36,250 for a Lightspeed Injector.

Note 5.5 Fees and charges (Group)

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed. The following table discloses the income and expenditure related to the Trust's Stockport Pharmaceuticals trading activities.

	Foundation Trust and Group	
	2022/23	2021/22
	£000	£000
Income	5,571	5,982
Full cost	(5,274)	(5,060)
Surplus / (deficit)	297	922

Note 6.1 Operating expenses (Group)

	2022/23	2021/22
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	3,837	3,452
Purchase of healthcare from non-NHS and non-DHSC bodies	6,090	8,059
Staff and executive directors costs	330,531	289,555
Remuneration of non-executive directors	166	166
Supplies and services - clinical (excluding drugs costs)	26,129	25,185
Supplies and services - general	3,676	3,008
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	24,031	23,390
Consultancy costs	544	895
Establishment	1,351	1,495
Premises	18,038	15,758
Transport (including patient travel)	1,430	1,215
Depreciation on property, plant and equipment and right of use assets	15,590	12,291
Amortisation on intangible assets	1,366	801
Net impairments	5,760	(639)
Movement in credit loss allowance: contract receivables / contract assets	(462)	1,075
Increase/(decrease) in other provisions	(1,349)	2,990
Change in provisions discount rate(s)	(979)	157
Fees payable to the external auditor		
audit services- statutory audit	85	82
Internal audit costs	100	95
Clinical negligence	11,931	11,176
Legal fees	315	271
Insurance	424	407
Research and development	881	827
Education and training	2,319	2,134
Expenditure on short term leases (current year only)	26	
Operating leases expenditure (comparative only)	-	3,719
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	1,532	1,553
Car parking & security	946	632
Losses, ex gratia & special payments	81	99
Other services, eg external payroll	833	350
Other	3,250	1,096
Total	458,472	411,294
Of which:		
Related to continuing operations	458,472	411,294

Note 6.2 Operating expenses (Trust)

	2022/23	2021/22
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	3,837	3,452
Purchase of healthcare from non-NHS and non-DHSC bodies	6,090	8,059
Staff and executive directors costs	330,287	289,323
Remuneration of non-executive directors	166	166
Supplies and services - clinical (excluding drugs costs)	26,129	25,185
Supplies and services - general	3,676	3,008
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	23,789	23,218
Consultancy costs	544	895
Establishment	1,351	1,495
Premises	18,038	15,758
Transport (including patient travel)	1,430	1,215
Depreciation on property, plant and equipment and right of use assets	15,590	12,291
Amortisation on intangible assets	1,366	801
Net impairments	5,760	(639)
Movement in credit loss allowance: contract receivables / contract assets	(462)	1,075
Increase/(decrease) in other provisions	(1,349)	2,990
Change in provisions discount rate(s)	(979)	157
Fees payable to the external auditor		
audit services- statutory audit	85	82
Internal audit costs	100	95
Clinical negligence	11,931	11,176
Legal fees	315	271
Insurance	424	407
Research and development	881	827
Education and training	2,319	2,134
Expenditure on short term leases (current year only)	26	
Operating leases expenditure (comparative only)	-	3,719
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	1,532	1,553
Car parking & security	946	632
Losses, ex gratia & special payments	81	99
Other services, eg external payroll	833	350
Other	3,152	998
Total	457,888	410,792
Of which:		
Related to continuing operations	457,888	410,792

Note 6.2 Other auditor remuneration (Group)

	2022/23	2021/22
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Statutory audit	85	82
Total	85	82

The above remuneration is inclusive of VAT.

Note 6.3 Limitation on auditor's liability (Group)

There is no limitation on auditor's liability for external audit work carried out for the financial years 2022/23 or 2021/22.

Note 7 Impairment of assets (Group)

	Foundation Trust and Group	
	2022/23	2021/22
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Abandonment of assets in course of construction	-	1,102
Changes in market price	5,760	(1,741)
Total net impairments charged to operating surplus / deficit	5,760	(639)
Impairments charged to the revaluation reserve	3,376	535
Total net impairments	9,136	(104)

In 2022/2023 the Trust undertook a revaluation exercise of its land, buildings and dwellings on an alternate site basis which resulted in a net impairment charge of £5.760 million to the Statement of Comprehensive Income (SoCi). Impairments reflect the fall in value of property as reflected in the District Valuer report as at the 31st March 2023 or a reversal of impairment where a previous fall in value had been recorded. Where revaluation reserve balances exist impairment charges of £3.4 million have been charged in 2022/23.

Note 8.1 Employee benefits (Group)

	2022/23	2021/22
	Total	Total
	£000	£000
Salaries and wages	224,601	196,140
Social security costs	21,093	17,084
Apprenticeship levy	1,092	990
Employer's contributions to NHS pensions	35,994	32,642
Pension cost - other	129	111
Temporary staff (including agency)	49,663	43,326
Total staff costs	332,572	290,293
Of which		
Costs capitalised as part of assets	1,194	0

Included within:

Operating expenditure analysed as:

Employee expenses - staff & executive directors	330,531	289,555
Research & development	847	738
	331,378	290,293

Note 8.2 Employee benefits (Trust)

	2022/23	2021/22
	Total	Total
	£000	£000
Salaries and wages	224,357	195,914
Social security costs	21,093	17,082
Apprenticeship levy	1,092	990
Employer's contributions to NHS pensions	35,994	32,642
Pension cost - other	129	107
Temporary staff (including agency)	49,663	43,326
Total staff costs	332,328	290,061
Of which		
Costs capitalised as part of assets	1,194	-

Included within:

Operating expenditure analysed as:

Employee expenses - staff & executive directors	330,287	289,323
Research & development	847	738
	331,134	290,061

Note 8.3 Retirements due to ill-health (Group)

During 2022/23 there was 1 early retirement from the Trust agreed on the grounds of ill-health (4 in the year ended 31 March 2022). The estimated additional pension liabilities of these ill-health retirements is £9k (£176k in 2021/22).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 9 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as at 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

Note 9 Pension costs continued

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 at 20.6%, and the Scheme Regulations were amended accordingly.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

Note 10 Finance income (Group)

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

	2022/23	2021/22
	£000	£000
Interest on bank accounts	772	23
NHS charitable fund investment income	64	47
Total finance income	836	70

Note 10.1 Finance income (Trust)

	2022/23	2021/22
	£000	£000
Interest on bank accounts	772	23
Total finance income	772	23

Note 11.1 Finance expenditure (Group)

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

	2022/23	2021/22
	£000	£000
Interest expense:		
Interest on loans from the Department of Health and Social Care	564	623
Interest on lease obligations	79	-
Main finance costs on PFI and LIFT schemes obligations	7	8
Total interest expense	650	631
Unwinding of discount on provisions	(48)	(19)
Total finance costs	602	612

Note 11.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group)

The Trust has no late payment of commercial debt interest to report in 2022/23 or 2021/22.

Note 12.1 Other gains / (losses) (Group)

	2022/23	2021/22
	£000	£000
Gains on disposal of assets	87	426
Total gains / (losses) on disposal of assets	87	426
Fair value gains / (losses) on charitable fund investments & investment properties	(64)	134
Total other gains / (losses)	23	560

Note 12.2 Other gains / (losses) (Trust)

	2022/23	2021/22
	£000	£000
Gains on disposal of assets		
Total gains / (losses) on disposal of assets	87	426
	87	426

Note 13 Intangible assets - 2022/23

Group and Trust	Software licences £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2022 - brought forward	13,398	2,256	15,654
Transfers by absorption	439	-	439
Additions	1,492	304	1,796
Reclassifications	199	(199)	-
Valuation / gross cost at 31 March 2023	15,528	2,361	17,889
Amortisation at 1 April 2022 - brought forward	8,145	-	8,145
Provided during the year	1,366	-	1,366
Amortisation at 31 March 2023	9,511	-	9,511
Net book value at 31 March 2023	6,017	2,361	8,378
Net book value at 1 April 2022	5,253	2,256	7,509

Note 13.1 Intangible assets - 2021/22

Group and Trust	Software licences £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2021 - as previously stated	10,456	-	10,456
Transfers by absorption	398	-	398
Additions	2,676	2,256	4,932
Disposals / derecognition	(132)	-	(132)
Valuation / gross cost at 31 March 2022	13,398	2,256	15,654
Amortisation at 1 April 2021 - as previously stated	7,476	-	7,476
Prior period adjustments	-	-	-
Amortisation at 1 April 2021 - restated	7,476	-	7,476
Provided during the year	801	-	801
Disposals / derecognition	(132)	-	(132)
Amortisation at 31 March 2022	8,145	-	8,145
Net book value at 31 March 2022	5,253	2,256	7,509
Net book value at 1 April 2021	2,980	-	2,980

Note 14.1 Property, plant and equipment - 2022/23

Group and Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2022 - brought forward	8,140	126,490	1,910	9,721	55,914	255	23,222	798	226,450
IFRS 16 implementation - reclassification to right of use assets	-	-	-	-	(112)	-	-	-	(112)
Transfers by absorption	-	-	-	-	223	-	417	-	640
Additions	-	11,534	45	14,647	8,723	42	2,927	54	37,972
Impairments	-	(10,829)	(33)	-	-	-	-	-	(10,862)
Reversals of impairments	-	1,726	-	-	-	-	-	-	1,726
Revaluations	-	9,524	(12)	-	-	-	-	-	9,512
Reclassifications	-	4,225	-	(5,877)	1,149	-	503	-	-
Disposals / derecognition	-	-	-	-	(558)	-	(113)	-	(671)
Valuation/gross cost at 31 March 2023	8,140	142,670	1,910	18,491	65,339	297	26,956	852	264,654
Accumulated depreciation at 1 April 2022 - brought forward	-	-	-	-	28,068	134	12,139	539	40,880
IFRS 16 implementation - reclassification to right of use assets	-	-	-	-	(68)	-	-	-	(68)
Provided during the year	-	4,756	57	-	5,070	30	3,384	59	13,356
Revaluations	-	(4,756)	(57)	-	-	-	-	-	(4,813)
Reclassifications	-	-	-	-	(51)	-	51	-	-
Disposals / derecognition	-	-	-	-	(558)	-	(45)	-	(603)
Accumulated depreciation at 31 March 2023	-	-	-	-	32,461	164	15,529	598	48,752
Net book value at 31 March 2023	8,140	142,670	1,910	18,491	32,878	133	11,427	254	215,902
Net book value at 1 April 2022	8,140	126,490	1,910	9,721	27,846	121	11,083	259	185,570

Note 14.2 Property, plant and equipment - 2021/22

Group and Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2021 - as previously stated	8,113	116,257	1,852	3,958	48,152	212	21,422	778	200,744
Transfers by absorption	-	-	-	-	11	-	948	-	959
Additions	-	4,067	93	9,433	7,518	-	1,934	20	23,065
Impairments	-	(848)	(70)	(1,102)	-	-	-	-	(2,020)
Reversals of impairments	5	2,119	-	-	-	-	-	-	2,124
Revaluations	22	4,112	35	-	-	-	-	-	4,169
Reclassifications	-	783	-	(2,568)	1,733	43	9	-	-
Disposals / derecognition	-	-	-	-	(1,500)	-	(1,091)	-	(2,591)
Valuation/gross cost at 31 March 2022	8,140	126,490	1,910	9,721	55,914	255	23,222	798	226,450
Accumulated depreciation at 1 April 2021 - as previously stated	-	-	-	-	24,863	103	10,369	485	35,820
Provided during the year	-	4,586	54	-	4,705	31	2,861	54	12,291
Revaluations	-	(4,586)	(54)	-	-	-	-	-	(4,640)
Disposals / derecognition	-	-	-	-	(1,500)	-	(1,091)	-	(2,591)
Accumulated depreciation at 31 March 2022	-	-	-	-	28,068	134	12,139	539	40,880
Net book value at 31 March 2022	8,140	126,490	1,910	9,721	27,846	121	11,083	259	185,570
Net book value at 1 April 2021	8,113	116,257	1,852	3,958	23,289	109	11,053	293	164,924

Note 14.3 Property, plant and equipment financing - 31 March 2023

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Charitable fund PPE assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	8,140	141,174	1,862	18,491	31,724	111	11,427	242	-	213,170
On-SoFP PFI contracts and other service concession arrangements	-	1,022	-	-	-	-	-	-	-	1,022
Owned - donated/granted	-	474	48	-	1,154	22	-	12	-	1,710
NBV total at 31 March 2023	8,140	142,670	1,910	18,491	32,878	133	11,427	254	-	215,902

Note 14.4 Property, plant and equipment financing - 31 March 2022

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Charitable fund PPE assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	8,140	125,168	1,862	9,721	26,219	94	11,083	242	-	182,529
Finance leased	-	-	-	-	44	-	-	-	-	44
On-SoFP PFI contracts and other service concession arrangements	-	903	-	-	-	-	-	-	-	903
Owned - donated/granted	-	419	48	-	1,583	27	-	17	-	2,094
NBV total at 31 March 2022	8,140	126,490	1,910	9,721	27,846	121	11,083	259	-	185,570

Note 15 Donations of property, plant and equipment

The Trust has no donations to disclose in 2022/23 (£99k in 2021/2022).

Note 16 Revaluations of property, plant and equipment

In 2022/2023 the Trust undertook a valuation of land and buildings by the District Valuer in compliance with International Accounting Standards, the Royal Institute of Chartered Surveyors, the Treasury Financial Reporting Manual and the Department of Health Group Accounts Manual. The valuation was undertaken at the the 31st March 2023 prepared on an alternative site basis. The valuation was based on land on its existing site but on a much smaller footprint and buildings based on a Modern Equivalent Basis. Further disclosures on this revaluation can be found at note 1.9 Property, Plant and Equipment: Measurement. The movements on the revaluation reserve are shown below.

Revaluation Reserve Movements

Foundation Trust and Group

	£000	£000
	Property, Plant and Equipment	Total Revaluation Reserve
Revaluation reserve at 1 April 2022 - brought forward	55,062	55,062
Net impairments	(3,376)	(3,376)
Revaluations	14,324	14,324
Revaluation reserve at 31 March 2023	<u>66,010</u>	<u>66,010</u>

	£000	£000
	Property, Plant and Equipment	Total Revaluation Reserve
Revaluation reserve at 1 April 2021 - brought forward	46,788	46,788
Net impairments	(535)	(535)
Revaluations	8,809	8,809
Revaluation reserve at 31 March 2022	<u>55,062</u>	<u>55,062</u>

Note 17 Leases - Stockport NHS Foundation Trust as a lessee

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

In 2022/2023 the Trust has leasing arrangements for its community buildings. This includes five year leases with NHS Property Services Ltd for community services provided in the Stockport area. These leases are held in line with current commissioning contracts. It also has a lease arrangement for The Meadows Bluebell ward facility, due to expire in September 2024.

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.

In 2022/23 the Trust has entered into two new leasing arrangements that have been brought onto the Statement of Financial Position as right of use assets - £31k for new fleet vehicles and £30k on theatre equipment.

Note 17.1 Right of use assets - 2022/23

Group	Property (land and buildings) £000	Plant & machinery £000	Transport equipment £000	Total £000	Of which:
					leased from DHSC group £000
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets		112		112	
IFRS 16 implementation - adjustments for existing operating leases / subleases	9,249	51		9,299	7,570
Additions		30	31	61	
Valuation/gross cost at 31 March 2023	<u>9,249</u>	<u>193</u>	<u>31</u>	<u>9,472</u>	<u>7,570</u>
existing leased assets from PPE or intangible assets	-	68	-	68	
Provided during the year	2,186	43	5	2,234	1,514
Accumulated depreciation at 31 March 2023	<u>2,186</u>	<u>111</u>	<u>5</u>	<u>2,302</u>	<u>1,514</u>
Net book value at 31 March 2023	<u>7,063</u>	<u>82</u>	<u>26</u>	<u>7,170</u>	<u>6,056</u>

Net book value of right of use assets leased from other DHSC group bodies

6,056

Note 17.2 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 .

Foundation Trust and Group	2022/23 £000
Carrying value at 31 March 2022	43
IFRS 16 implementation - adjustments for existing operating leases:	9,299
Lease additions	61
Interest charge arising in year	79
Lease payments (cash outflows)	<u>(2,278)</u>
Carrying value at 31 March 2023	<u>7,204</u>

Lease payments for short term leases and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

These payments are disclosed in Note 6.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Note 17.3 Maturity analysis of future lease payments at 31 March 2023

		leased from DHSC group bodies:
Foundation Trust and Group	Total	
	31 March 2023	31 March 2023
Undiscounted future lease payments payable in:	£000	£000
- not later than one year;	2,225	1,500
- later than one year and not later than five years;	4,979	4,585
- later than five years.	-	-
Total gross future lease payments	7,204	6,085
Finance charges allocated to future periods	-	-
Net lease liabilities at 31 March 2023	7,204	6,085
Of which:		
- Current	2,225	1,500
- Non-Current	4,979	4,585

Note 17.4 Maturity analysis of finance lease liabilities at 31 March 2022 (IAS 17 basis)

The following table details the maturity of obligations under leases the Trust previously determined to be finance leases under IAS 17 at 31 March 2022.

Foundation Trust and Group	31 March 2022 £000
Undiscounted future lease payments payable in:	
- not later than one year;	17
- later than one year and not later than five years;	26
Net finance lease liabilities at 31 March 2022	43

of which payable:

- not later than one year;	17
- later than one year and not later than five years;	26

Note 17.5 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

This note discloses costs incurred in 2021/22 and commitments as at 31 March 2022 for leases the Trust previously determined to be operating leases under IAS 17.

Foundation Trust and Group	2021/22 £000
Operating lease expense	
Minimum lease payments	3,719
Total	3,719

Foundation Trust and Group	31 March 2022 £000
Future minimum lease payments due:	
- not later than one year;	3,709
- later than one year and not later than five years;	13,143
Total	16,852

Note 17.6 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 14.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022

Foundation Trust and Group	1 April 2022 £000
Operating lease commitments under IAS 17 at 31 March 2022	16,852
Impact of discounting at the incremental borrowing rate	
IAS 17 operating lease commitment discounted at incremental borrowing rate	16,471
Less:	
Commitments for short term leases	(19)
Rent increases/(decreases) reflected in the lease liability, not previously reflected in the IAS 17 commitment	773
Finance lease liabilities under IAS 17 as at 31 March 2022	43
Other adjustments	(7,926)
Total lease liabilities under IFRS 16 as at 1 April 2022	9,342

Note 18 Other investments / financial assets (non-current)

	Group	
	2022/23	2021/22
	£000	£000
Carrying value at 1 April - brought forward	1,691	1,557
Movement in fair value through income and expenditure	(64)	134
Carrying value at 31 March	1,627	1,691

The above note details the investments held by the Trust Charity consolidated in Group numbers only.

For the Consolidated Group the Charity held investments in equity common investment funds. In 2022/2023 the Group reported £64,000 (£47,000 in 2021/2022) in interest receivable on these investments and a loss on valuation of £64,000 at the 31st March 2023 (£134,000 gain in 2021/2022).

Note 19 Analysis of charitable fund reserves

The Trust has consolidated its charitable fund, Stockport NHS Foundation Trust General Fund (known as Stockport NHS Charity) - Charity Commission Number Registration Number 1048661, within the Group Accounts.

	31 March 2023 £000	31 March 2022 £000
Unrestricted funds:		
Unrestricted income funds	480	460
Restricted funds:		
Endowment funds	10	10
Other restricted income funds	2,067	2,101
	2,557	2,571

Note 20 Analysis of charitable fund reserves continued

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the Corporate Trustee's in furtherance of the Charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the Charity.

Restricted funds may be accumulated income funds which are expendable at the Corporate Trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the Charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested, or retained for use rather than expended. For Stockport NHS Foundation General Fund these funds predominantly relate to specified divisions and departments at the Trust. There is one permanent endowment fund where the monies are retained for use rather than expended.

Note 21 Inventories

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
Drugs	1,169	1,197	987	976
Consumables	307	312	307	312
Total inventories	1,476	1,509	1,294	1,288
of which:				

Inventories recognised in expenses for the year were £22,937k (2021/22: £23,011k). Write-down of inventories recognised as expenses for the year were £0k (2021/22: £0k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2022/23 the Trust received £838k of items purchased by DHSC (2021/22: £893k).

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

The deemed cost of these inventories was charged directly to expenditure on receipt with the corresponding benefit recognised in income.

Note 22.1 Receivables

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
Current				
Contract receivables	19,313	9,258	19,516	10,022
Allowance for impaired contract receivables / assets	(799)	(1,348)	(799)	(1,348)
Prepayments (non-PFI)	3,306	2,052	3,306	2,052
Interest receivable	135	-	135	-
PDC dividend receivable	-	302	-	302
VAT receivable	1,985	1,423	1,985	1,360
Other receivables	7	12	390	580
NHS charitable funds receivables	3	27	-	-
Total current receivables	23,950	11,726	24,533	12,968
Non-current				
Contract receivables	305	283	305	283
Allowance for impaired contract receivables / assets	(76)	(67)	(76)	(67)
Other receivables	528	550	528	550
Total non-current receivables	757	766	757	766
Of which receivable from NHS and DHSC group bodies:				
Current	14,872	4,643	14,872	4,643
Non-current	528	550	528	550

Within the Group note adjustments have been made for transactions with the Trust's Charity and subsidiary Outpatient Drug Dispensing Service - Stepping Hill Healthcare Enterprises Limited.

Note 22.2 Allowances for credit losses - 2022/23

Foundation Trust and Group

	Contract receivables and contract assets 2022/23 £000	Contract receivables and contract assets 2021/22 £000
Allowances as at 1 Apr 2022 - brought forward	1,415	1,316
New allowances arising	252	1,338
Reversals of allowances	(714)	(263)
Utilisation of allowances (write offs)	(78)	(976)
Allowances as at 31 Mar 2023	875	1,415

Note 22.3 Exposure to credit risk

In assessing its exposure to credit risk the Trust reviews its aged receivables report on an individual invoice and debtor basis. It has assessed its lifetime expected losses as detailed in the provisions matrix. The percentage applied for the NHS Injury Recovery Scheme on its current balance is a nationally agreed percentage provided annually by the DHSC. All other receivables are recognised at their gross carrying amount. For NHS bodies and local authorities aged receivables are assessed for specific issues around irrecoverability.

Provision for Expected Credit Losses

Foundation Trust and Group

Lifetime expected credit loss	Current	Non Current	£000
NHS Injury Recovery Scheme	24.86%		441
Non NHS Customers		100%	16
Salary Overpayments		100%	85
Overseas Visitors		100%	31
NHS Bodies			185
Local Authorities			117
			<u>875</u>

Note 23.1 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.

	Group		Trust	
	2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000
At 1 April	52,311	34,991	50,540	32,534
Net change in year	(3,675)	17,320	(3,372)	18,006
At 31 March	<u>48,636</u>	<u>52,311</u>	<u>47,168</u>	<u>50,540</u>

Broken down into:

Cash at commercial banks and in hand	1,866	2,244	398	473
Cash with the Government Banking Service	46,770	50,067	46,770	50,067
Total cash and cash equivalents as in SoFP	<u>48,636</u>	<u>52,311</u>	<u>47,168</u>	<u>50,540</u>
Total cash and cash equivalents as in SoCF	<u>48,636</u>	<u>52,311</u>	<u>47,168</u>	<u>50,540</u>

Note 23.2 Third party assets held by the Trust

Stockport NHS Foundation Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	Group and Trust	
	31 March 2023 £000	31 March 2022 £000
Bank balances	0	4
Total third party assets	<u>0</u>	<u>4</u>

Note 24.1 Trade and other payables

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Current				
Trade payables	7,501	8,325	7,938	8,173
Capital payables	13,092	13,058	13,092	13,058
Accruals	46,673	32,088	46,673	32,874
Social security costs	2,665	2,646	2,665	2,643
Other taxes payable	2,371	2,438	2,371	2,393
PDC dividend payable	295	-	295	-
Pension contributions payable	3,461	3,184	3,461	3,184
Other payables	601	655	601	655
Total current trade and other payables	76,659	62,394	77,096	62,980

Of which payables from NHS and DHSC group bodies:

Current	5,314	5,313	5314	5313
---------	-------	-------	------	------

Consolidation adjustments by the Group have removed payables between the Trust, Charity and the Stepping Hill Healthcare Enterprises Limited subsidiaries.

Note 24.2 Early retirements in NHS payables above

There are no early retirement payables in the note above. The payables note above does include amounts in relation to outstanding pension contributions.

Note 25 Other liabilities

	Foundation Trust and Group	
	31 March 2023	31 March 2022
	£000	£000
Current		
Deferred income: contract liabilities	5,110	4,774
Total other current liabilities	5,110	4,774
Non-current		
Deferred income: contract liabilities	-	348
Total other non-current liabilities	-	348

Note 26 Borrowings

	Foundation Trust and Group	
	31 March 2023	31 March 2022
	£000	£000
Current		
Loans from DHSC	1,689	1,705
Lease liabilities*	2,225	17
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	34	32
Total current borrowings	3,948	1,754
Non-current		
Loans from DHSC	15,326	16,878
Lease liabilities*	4,979	26
Obligations under PFI, LIFT or other service concession contracts	166	200
Total non-current borrowings	20,471	17,104

Note 26.1 Reconciliation of liabilities arising from financing activities (Group)

	Loans from DHSC	Lease liabilities	PFI and LIFT schemes	Total
	£000	£000	£000	£000
Foundation Trust and Group - 2022/23				
Carrying value at 1 April 2022	18,583	43	232	18,858
Cash movements:				
Financing cash flows - payments and receipts of principal	(1,551)	(2,199)	(34)	(3,784)
Financing cash flows - payments of interest	(577)	(79)	(5)	(661)
Non-cash movements:				
IFRS 16 implementation - adjustments for existing operating leases / subleases	-	9,299	-	9,299
Additions	-	61	-	61
Application of effective interest rate	560	79	7	646
Carrying value at 31 March 2023	17,015	7,204	200	24,419

	Loans from DHSC	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000
Foundation Trust and Group - 2021/22				
Carrying value at 1 April 2021	20,148	60	264	20,472
Cash movements:				
Financing cash flows - payments and receipts of principal	(1,551)	(17)	(32)	(1,600)
Financing cash flows - payments of interest	(637)	-	(8)	(645)
Non-cash movements:				
Application of effective interest rate	623	-	8	631
Carrying value at 31 March 2022	18,583	43	232	18,858

* The Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 17.

Note 27.1 Provisions for liabilities and charges analysis (Foundation Trust and Group)

Group and Trust	Pensions: injury benefits		Re-structuring		Other	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2022	3,926	140	20	100	5,546	9,733
Change in the discount rate	(979)	-	-	-	(471)	(1,450)
Arising during the year	155	93	4	-	983	1,235
Utilised during the year	(201)	(23)	(4)	-	(934)	(1,162)
Reclassified to liabilities held in disposal groups	-	-	-	-	-	-
Reversed unused	-	(65)	(20)	(100)	(3,938)	(4,123)
Unwinding of discount	(48)	-	-	-	11	(37)
Movement in charitable fund provisions	-	-	-	-	-	-
At 31 March 2023	2,853	145	-	-	1,197	4,196
Expected timing of cash flows:						
- not later than one year;	400	145	-	-	669	1,214
- later than one year and not later than five years;	775	-	-	-	19	794
- later than five years.	1,678	-	-	-	510	2,188
Total	2,853	145	-	-	1,198	4,196

The provision for 'Pensions - injury benefits' is for the reimbursement of injury benefit allowances to the NHS Pensions Agency for ten members of former staff over their estimated life expectancy.

The provision for 'Legal Claims' provides for the Liability to Third Parties Schemes (LTPS) and Public & Employers Liability Scheme (PES). This provision covers the excess amount payable by the Trust and not the full liability of claims which are covered by the NHS Resolution under the non-clinical risk pooling scheme. The contingent liability at note 28 also relates to this scheme. Both figures are supplied by NHS Resolution and revised annually by NHS Resolution based on up to date information at the 31st March.

Within other provisions the Trust has provided for costs for outstanding banding claims for Band 2 to Band 3 Healthcare Assistants. There is also a provision for Clinicians Pension Tax Reimbursement. This is a nationally provided figure for the tax charge of clinicians incurred in 2019/20 where additional work has led to a breach of the annual pension allowance. The charge is offset by a matching receivable as the future cost will be met by the NHS Pension Scheme.

Note 27.2 Provisions for liabilities and charges analysis (Group and Trust)

Group and Trust	Current	Current	Non-Current	Non-Current
	2022/23	2021/22	2022/23	2020/21
Pensions: injury benefits	400	355	2,453	3,572
Other legal claims	145	140	-	-
Restructurings	-	20	-	-
Redundancy	-	100	-	-
Other	669	4,996	528	550
Total	1,214	5,611	2,982	4,122

Note 27.3 Clinical negligence liabilities

At 31 March 2023, £216,295k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Stockport NHS Foundation Trust (31 March 2022: £324,587k).

Note 28 Contingent assets and liabilities

	Foundation Trust and Group	
	31 March	31 March
	2023	2022
	£000	£000
Value of contingent liabilities		
NHS Resolution legal claims	(88)	(83)
Net value of contingent liabilities	(88)	(83)

Further detail on the provision and contingent liability for NHS Resolution claims is disclosed above at note 28.

Note 29 Contractual capital commitments - Group and Trust

	31 March 2023 £000	31 March 2022 £000
Property, plant and equipment	26,537	3,203
Total	26,537	3,203

Capital commitments reflect those capital projects started or contractually committed to in 2022/2023 and due within one year. These commitments includes the final signed contract for the Emergency and Urgent Care Campus with the main contractor for a value of £29.275m. Spend to date is £10.117m with a remaining commitment of £22.990m. The scheme is due for completion by March 2024. The Trust also has a £2.4 million commitment for the replacement of IT Network Cabinets in 2023/24. Other order commitments include estate works to the hospital site where work has begun and equipment ordered but not delivered by the 31st March 23. Contractual commitments of £26.5 million are outstanding into 2022/23 with £19.3 million incurred to date at the 31st March 2023.

Note 30.1 On-SoFP PFI, LIFT or other service concession arrangements

Under IFRIC 12 the Trust recognises a service concession arrangement with Alliance Medical for the provision of a building to perform MRI scanning services.

Note 30.2 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

Group and Trust	31 March 2023 £000	31 March 2022 £000
Gross PFI, LIFT or other service concession liabilities	221	261
Of which liabilities are due		
- not later than one year;	40	40
- later than one year and not later than five years;	161	161
- later than five years.	20	60
Finance charges allocated to future periods	(21)	(29)
Net PFI, LIFT or other service concession arrangement obligation	200	232
- not later than one year;	34	32
- later than one year and not later than five years;	147	142
- later than five years.	19	58

Note 30.3 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future commitments under these on-SoFP schemes are as follows:

Group and Trust	31 March 2023 £000	31 March 2022 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	8,438	9,140
Of which payments are due:		
- not later than one year;	1,534	1,406
- later than one year and not later than five years;	6,137	5,625
- later than five years.	767	2,109

Note 30.4 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

Group and Trust	2022/23 £000	2021/22 £000
Unitary payment payable to service concession operator	1,572	1,593
Consisting of:		
- Interest charge	7	8
- Repayment of balance sheet obligation	33	32
- Service element and other charges to operating expenditure	1,532	1,553
Total amount paid to service concession operator	1,572	1,593

Note 31 Financial instruments

Note 31.1 Financial risk management

IFRS 7 Financial Instruments Disclosure requires declaration of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. Stockport NHS Foundation Trust has financial assets and liabilities that are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Foundation Trust in undertaking its activities. For the Group the Charity does hold investments and is, therefore, exposed to a degree of financial risk. This risk is carefully managed by pursuing a low risk investment strategy. The Charity holds its investments within common investment funds with a market leader provider of Charity Investments, CCLA Management Ltd.

Liquidity Risk

In 2022/23 NHS England continued to fund NHS Trusts through block payment contracts managed through the GM Integrated Care System. The majority of the Trust's income is earned from the GM ICS and other NHS commissioners in the form of fixed payments to fund an agreed level of activity as detailed at note 1.4. Revenue costs were funded that specifically related to re-imbursement of specific Covid-19 costs and personal protective equipment continued to be provided free of charge in 2022/2023.

In 2022/2023 capital costs were funded from internal depreciation and £29.9 million in PDC cash funding for specific programmes including the Emergency and Urgent Care Campus development, Healthier Together, funding for additional wards to support elective recovery and initial funding for an electronic patient record system...

In 2022/2023 strategic and operational financial plans were agreed through the Greater Manchester Integrated Care System (GM ICS). This continues from 2023/24 onwards. A one year revenue allocation and three year capital allocation has been set for ICS footprints which must work together to deliver a break even financial plan. Providers and commissioners will agree a fixed income allocation that may also include alongside a variable element that will further support the recovery of elective services by operating a volume related payment for actual activity delivered. Capital plans have been submitted and agreed that will deliver a programme funded by internal depreciation and additional PDC issued for approved programmes. It is also expected that ICS footprints will support cash positions across organisations. In 2022/23 the Trust received an additional £17.7m of system support. Where operational plans anticipate additional cash support is required this will be provided in the form of Public Dividend Capital.

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. Similarly treasury management for the Trust Charity and subsidiary, Stepping Hill Healthcare Enterprises Ltd, are also carried out by the Finance department. All treasury activity is subject to review by Internal and External Audit.

At the 31 March 2023 the Trust's cash balances were held solely in its Government Banking Services bank accounts and Barclays current accounts as per note 23.1.

It is expected that the above arrangements with robust financial planning and monitoring in year means that Stockport NHS Foundation Trust is not exposed to significant liquidity risk.

Note 31.1 Financial risk management continued

Market and Interest Rate Risk

At the 31 March 2023 the Trust's financial liabilities carried either nil or fixed rates of interest. The Trust's financial assets relate to loans and receivables and its cash balances held within its Government Banking Service bank accounts and commercial current account. Interest on cash balances are set by HM Treasury through the Royal Bank of Scotland.

Foreign Currency Risk

The Trust has negligible foreign currency income or expenditure and no overseas operations. There is, therefore, a very low exposure to currency rate fluctuations.

Credit Risk

The Trust receives most of its income from its commissioners based on agreed block payments and system top ups. It operates a robust debt management policy and, where necessary, provides for the risk of particular debts not being discharged by the applicable party. Non NHS customers do not make up a large proportion of income with the majority of income coming from other public sector bodies which are considered low risk. This position means that Stockport NHS Foundation Trust is, therefore, not exposed to significant credit risk. Where it has significant commitments (for example large capital contract awards and payments) it uses a credit rating agency before payments are made or contracts awarded.

Charitable Funds

The Group accounts include the financial statements of the Stockport NHS Charitable Fund. The charitable fund places its short term cash in bank accounts with the Trust's commercial bank, Barclays PLC. The Charity also invests monies of £2.4 million for longer term investment with CCLA Investment Management Ltd. It holds one common investment fund in equity funds of £1.6 million and one cash deposit account holding £0.8 million. The Charity receives quarterly updates on the performance of its investments and allocates gains and losses when realised to its charitable funds. This policy is reviewed on an annual basis to mitigate for any possible market losses on the valuation of its equity common investment fund.

Stepping Hill Healthcare Enterprises Limited

The Group accounts include the financial statements of its trading subsidiary, Stepping Hill Healthcare Enterprises Limited. The subsidiary holds its cash with the Trust commercial banker, Barclays PLC, in a separate bank account. Its income is predominantly with the parent and it currently purchases drugs for its dispensing services using the Trust Pharmacy as its wholesale supplier. It is not considered, therefore, to have market or liquidity risks.

Note 31.2 Carrying values of financial assets (Group)

The Group holds financial assets that qualify as basic financial instruments that includes cash and receivables held at amortised cost and Charity investments held at fair value. The latter are recognised initially at transaction value and subsequently measured at fair value. through the Statement of Comprehensive Income.

Carrying values of financial assets as at 31 March 2023	Held at amortised cost £000	Held at fair value through P&L £000	Total carrying value £000
Trade and other receivables excluding non financial assets	18,743	-	18,743
Cash and cash equivalents	47,324	-	47,324
Consolidated NHS Charitable fund financial assets	1,315	1,627	2,942
Total at 31 March 2023	67,382	1,627	69,009

Carrying values of financial assets as at 31 March 2022	Held at amortised cost £000	Held at fair value through P&L £000	Total carrying value £000
Trade and other receivables excluding non financial assets	8,126	-	8,126
Cash and cash equivalents	50,890	-	50,890
Consolidated NHS Charitable fund financial assets	1,448	1,691	3,139
Total at 31 March 2022	60,464	1,691	62,155

Note 31.3 Carrying values of financial assets (Trust)

	Held at amortised cost £000	Held at fair value through P&L £000	Total carrying value £000
Carrying values of financial assets as at 31 March 2023			
Trade and other receivables excluding non financial assets	18,945	-	18,945
Cash and cash equivalents	47,168	-	47,168
Total at 31 March 2023	66,113	-	66,113

	Held at amortised cost £000	Held at fair value through P&L £000	Total carrying value £000
Carrying values of financial assets as at 31 March 2022			
Trade and other receivables excluding non financial assets	9,396	-	9,396
Cash and cash equivalents	50,540	-	50,540
Total at 31 March 2022	59,936	-	59,936

Note 31.4 Carrying values of financial liabilities (Group)

	Held at amortised cost £000	Held at fair value through P&L £000	Total carrying value £000
Carrying values of financial liabilities as at 31 March 2023			
Loans from the Department of Health and Social Care	17,015	-	17,015
Obligations under leases	7,204	-	7,204
Obligations under PFI, LIFT and other service concessions	200	-	200
Trade and other payables excluding non financial liabilities	70,727	-	70,727
Provisions under contract	145	-	145
Total at 31 March 2023	95,291	-	95,291

	Held at amortised cost £000	Held at fair value through P&L £000	Total carrying value £000
Carrying values of financial liabilities as at 31 March 2022			
Loans from the Department of Health and Social Care	18,583	-	18,583
Obligations under finance leases	43	-	43
Obligations under PFI, LIFT and other service concessions	232	-	232
Trade and other payables excluding non financial liabilities	54,126	-	54,126
Provisions under contract	261	-	261
Total at 31 March 2022	73,245	-	73,245

Note 31.5 Carrying values of financial liabilities (Trust)

	Held at amortised cost £000	Held at fair value through P&L £000	Total carrying value £000
Carrying values of financial liabilities as at 31 March 2023			
Loans from the Department of Health and Social Care	17,015	-	17,015
Obligations under leases	7,204	-	7,204
Obligations under PFI, LIFT and other service concessions	200	-	200
Trade and other payables excluding non financial liabilities	70,291	-	70,291
Provisions under contract	145	-	145
Total at 31 March 2023	94,855	-	94,855

	Held at amortised cost £000	Held at fair value through P&L £000	Total carrying value £000
Carrying values of financial liabilities as at 31 March 2022			
Loans from the Department of Health and Social Care	18,583	-	18,583
Obligations under finance leases	43	-	43
Obligations under PFI, LIFT and other service concessions	232	-	232
Trade and other payables excluding non financial liabilities	54,712	-	54,712
Provisions under contract	261	-	261
Total at 31 March 2022	73,831	-	73,831

Note 31.6 Fair values of financial assets and liabilities

Other than the investments held by the Group Charity all financial assets and liabilities are held at carrying value at the 31st March 2023 as book value is considered to be a reasonable approximation of fair value.

Note 31.7 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.

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
In one year or less	75,741	56,573	74,771	57,159
In more than one year but not more than five years	12,839	8,119	12,839	8,119
In more than five years	10,172	12,049	10,172	12,049
Total	98,752	76,741	97,782	77,327

Note 32 Losses and special payments

	2022/23		2021/22	
Group and trust	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	39	106	4	2
Bad debts and claims abandoned	24	31	4	12
Stores losses and damage to property	-	-	1	60
Total losses	63	137	9	74
Special payments				
Ex-gratia payments	16	4	30	591
Special severance payments	1	3	1	11
Total special payments	17	7	31	602
Total losses and special payments	80	144	40	676
Compensation payments received				

These amounts are reported on an accruals basis and exclude provisions for future losses.

Note 33 Gifts

The Trust made no gifts in 2022/23. In 2021/22 the Trust made gifts of £295,350 to staff as a recognition to staff of their hard work and commitment during the Covid-19 pandemic..

Note 34 Related parties

Stockport NHS Foundation Trust is a body corporate authorised by NHS England, in exercise of the powers conferred by the National Health Service Act 2006. The Department of Health and Social Care is the parent body of all Foundation Trusts.

The Trust has 27 members of the Council of Governors; 24 representing public and staff and a further 3 appointed by partner organisations. None of the Council of Governors or parties related to them has undertaken any material transactions with Stockport NHS Foundation Trust.

The Department of Health and Social Care is regarded as a related party. During the year Stockport NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed in the following table, along with details of Income and Expenditure and the Receivable and Payable balances. The Trust and Group's related parties include all Whole of Government bodies as defined by the Treasury.

Note 34 Related parties continued

In addition the Trust has material transactions with other government departments and other central and local government bodies; significantly Stockport MBC, HM Revenue and Customs within HM Treasury and the the NHS Business Services Authority (Pensions).

NHS Greater Manchester ICB
NHS Derby and Derbyshire ICB
NHS Cheshire and Merseyside ICB
Stockport MBC
NHS England
NHS Resolution
Health Education England
UK Health Security Agency (replaced Public Health England)
Manchester Foundation NHS Trust
Derbyshire Community Health Services NHS FT
Tameside & Glossop Integrated Care NHS FT
Pennine Care Foundation Trust
East Cheshire NHS Trust
The Christie NHS Foundation Trust

The Trust had material transactions with the following commissioning groups in 2022/23 until their demise on the 01/07/2022.

NHS Stockport CCG
NHS Derby and Derbyshire CCG
NHS Manchester CCG
NHS Cheshire CCG
NHS Tameside & Glossop CCG

Note 35 Transfers by absorption

The Trust has received assets by transfer by absorption with a gain on transfer in the Statement of Comprehensive Income of £1.1 million. These include £0.8m from Manchester NHS Foundation Trust for Digital Pathology software and hardware and £0.2 million from the Northern Care Alliance Foundation Trust for Pathology equipment.

Note 36 Events after the reporting date

On the 2nd May 2023 the NHS Staff Council accepted the pay offer made by the government to Agenda for Change staff in England. DHSC informed NHS bodies of the estimated cost of the 2022-23 pay element and this amount was accrued as income and pay cost of £10.6 million for Stockport NHS Foundation Trust. The cash payment for the receivable was received on the 15th June 2023.

